

**Ansafone**  
LET ANSAFONE ANSWER YOUR PHONE  
From only  
**£1.50 per week**  
19 Upper Brook Street, London, W1Y 2HS  
**01-629 9232**

**Weldmesh**  
Ready for anything.  
Welded steel wire mesh from  
The B.R.C. Engineering Company, Stafford.  
Weldmesh Sales - 0785 6777 Telex: 36158

**NEWS SUMMARY**

**On Africa: Owen to try yet again**  
Britain and the U.S. are to make efforts to convene a round table conference on Rhodesia by sending what appears to be a semi-permanent mission of officials to Africa to negotiate with the warring parties in the dispute.  
Dr. David Owen, Foreign Secretary, told the Commons that the present attempt to negotiate a settlement, the consequences of which would be immediate and grave, were possibly civil war between black nationalist groups. Back Parliament, Page 9, Feature, Page 20.  
In South Africa three black leaders were arrested by security police at their homes in the township near Johannesburg.

**Equities up 2.7; Gilts mixed**  
● **EQUITIES** responded to Bank of England indications about Minimum Lending Rate, and after rising 6.7 in the afternoon, the FT Ordinary index closed 2.7 up at 474.6, its best closing level since January.  
● **GILTS** were mixed with slight falls towards the close, and the Government Securities index fell 0.02 to 71.40.  
● **STERLING** rose 30 points to \$182.55, in quiet trading. Interest centred on forward sterling. The pound's trade-weighted index closed unchanged at 61.5, while the dollar's depreciation widened to 5.36 per cent. (5.06).

**Angolan mining town**  
South African defence minister said that troops had launched limited offensive against W.A.P.F. guerrillas inside Angola. The Angolan Defence Ministry issued South African paratroopers of occupying the mining town of Caxito. The attack has caused the possibility of intervention by the UN Security Council. Page 4.

**Lebanon appeal**  
Action, Emmanuel Erkine, minister of the U.N. peacekeeping force in South Lebanon, died on Palestinian to oppose their control on their forces. Page 4.

**Alban shooting**  
Albanians gunned down and wounded in the last 24 hours. A 19-year-old Albanian executive in Milan last night and the manager of the city's largest company, a 35-year-old Albanian, were shot and wounded in Milan. The Red Brigades have claimed responsibility for both killings.

**London fills up**  
London is putting up House Full as it is today this weekend. The sudden rush for rooms is up to the need of conference delegates. A weekend weekend arrivals from Europe and the Caribbean.

**Jubilee £16m.**  
The Queen's Jubilee Appeal has been launched. The Queen's Jubilee Appeal has been launched. The Queen's Jubilee Appeal has been launched. The Queen's Jubilee Appeal has been launched.

**Caplan in chains**  
F. Gerald Caplan, 46, the British Ambassador, who faces extradition from the U.S. to Britain, is in chains. He is in chains. He is in chains. He is in chains.

**Going mishap**  
British Airways Boeing 737's Hercules burst into flames at Luton Airport last night after having from Düsseldorf, causing 124 passengers, including 10 babies, to escape by emergency routes. No one was injured.

**Briefly...**  
A 35-1 chance on a substantial 1,000 Guineas Newmarket. Today's Racing, Page 18.  
Security guard was shot and wounded during an attempted robbery by three armed robbers today. The bank in Broad Street, London, Essex.

**Michael Shtenk**  
Michael Shtenk, 59, head of the Soviet Foreign Ministry's Far East department, is to take over the UN Under-Secretary-General's post vacated by Mr. J. Shtenk.

**Profit Round**  
The Profit Round 1100,000 in the May draw has been won by the holder of No. 18 357583 who lives in Kent.

**MAJOR PRICE CHANGES YESTERDAY**  
Prices in pence unless otherwise indicated

AT Index	100.00	+ 0.10
FT Index	474.6	+ 2.7
10yr Govt	10.00	+ 0.01
5yr Govt	5.00	+ 0.01
10yr Local	10.00	+ 0.01
5yr Local	5.00	+ 0.01
10yr Foreign	10.00	+ 0.01
5yr Foreign	5.00	+ 0.01
10yr Gold	10.00	+ 0.01
5yr Gold	5.00	+ 0.01
10yr Silver	10.00	+ 0.01
5yr Silver	5.00	+ 0.01
10yr Platinum	10.00	+ 0.01
5yr Platinum	5.00	+ 0.01
10yr Palladium	10.00	+ 0.01
5yr Palladium	5.00	+ 0.01
10yr Rhodium	10.00	+ 0.01
5yr Rhodium	5.00	+ 0.01
10yr Iridium	10.00	+ 0.01
5yr Iridium	5.00	+ 0.01
10yr Osmium	10.00	+ 0.01
5yr Osmium	5.00	+ 0.01
10yr Cobalt	10.00	+ 0.01
5yr Cobalt	5.00	+ 0.01
10yr Nickel	10.00	+ 0.01
5yr Nickel	5.00	+ 0.01
10yr Copper	10.00	+ 0.01
5yr Copper	5.00	+ 0.01
10yr Zinc	10.00	+ 0.01
5yr Zinc	5.00	+ 0.01
10yr Lead	10.00	+ 0.01
5yr Lead	5.00	+ 0.01
10yr Tin	10.00	+ 0.01
5yr Tin	5.00	+ 0.01
10yr Manganese	10.00	+ 0.01
5yr Manganese	5.00	+ 0.01
10yr Vanadium	10.00	+ 0.01
5yr Vanadium	5.00	+ 0.01
10yr Chromium	10.00	+ 0.01
5yr Chromium	5.00	+ 0.01
10yr Molybdenum	10.00	+ 0.01
5yr Molybdenum	5.00	+ 0.01
10yr Niobium	10.00	+ 0.01
5yr Niobium	5.00	+ 0.01
10yr Tantalum	10.00	+ 0.01
5yr Tantalum	5.00	+ 0.01
10yr Zirconium	10.00	+ 0.01
5yr Zirconium	5.00	+ 0.01
10yr Hafnium	10.00	+ 0.01
5yr Hafnium	5.00	+ 0.01
10yr Rhenium	10.00	+ 0.01
5yr Rhenium	5.00	+ 0.01
10yr Ruthenium	10.00	+ 0.01
5yr Ruthenium	5.00	+ 0.01
10yr Rhodium	10.00	+ 0.01
5yr Rhodium	5.00	+ 0.01
10yr Palladium	10.00	+ 0.01
5yr Palladium	5.00	+ 0.01
10yr Silver	10.00	+ 0.01
5yr Silver	5.00	+ 0.01
10yr Gold	10.00	+ 0.01
5yr Gold	5.00	+ 0.01

**Sharp increase in minimum lending rate likely to-day**

BY MICHAEL BLANDEN  
A sharp rise in interest rates is expected to be signalled to-day by a jump in the Bank of England's minimum lending rate.  
The rate is expected to rise by at least 1 per cent. from the present level of 7 1/2 per cent. and could move up to 9 per cent. or just conceivably even more.  
An increase on this scale will bring renewed pressure on the banks to lift their own lending rates and could eventually prompt a rise in the building society mortgage and deposit rates.  
The banks may wait until the general level of short-term interest rates has settled down next week before making any decision on their own base rates, which at present are the same as the Bank's 7 1/2 per cent.  
The building societies are unlikely to take any immediate action on their rates. But the question will certainly be discussed at next week's meeting of the Building Societies Association and, if the level of savings receipts by the movement comes under further pressure, they could consider changes in their rates next month.  
Societies' net intake of new funds last month is thought to have been only marginally up on the March total of £308m., which compared with the October record of £390m. With such high liquidity levels, the societies could probably resist pressure towards a politically sensitive rise in the mortgage rate for some time, but if their inflow falls further they may be forced to consider a change.  
MLR's rise will follow a clear indication given by the Bank of England yesterday that it would not resist the strong upward pressure on rates which has been evident in the money markets in the past few days.  
The official change of stance left the market free to determine the appropriate level of rates, and the Bank yesterday gave no indication of its own preferences. As a result, the market was in a state of some confusion, with suggestions of the possible level of MLR ranging between 8 1/2 and 9 1/2 per cent., but with 9 per cent. still being put forward as the most likely outcome.  
The Bank's message to the market yesterday reflected a recognition that circumstances had changed since MLR was pushed up by 1 per cent. to 7 1/2 per cent. in last month's Budget. The increase then was designed to forestall a period of uncertainty in the markets and to establish a new level which, it was hoped, could be sustained for some time.  
The combination of the renewed pressure on sterling and the upward trend of interest rates in the U.S., however, has brought a further rise in money market rates. In spite of official assistance to the market, rates on interbank loans earlier this week were already at levels comparable with an MLR of around 9 per cent.  
Prospects of an increase in the official rate, coupled with concern that the Bank might announce a new issue of a short-dated, gilt-edged stock, helped to dampen the gilt-edged market yesterday.  
Long stocks were unchanged at the close after fluctuating earlier in the day, but short stocks ended with losses of 1 after showing gains. The Financial Times Government securities index fell 0.02 to 71.40.  
House prices, Page 6  
Lex, Back Page



**Gold price up \$4 3/4 in two days**

BY MICHAEL BLANDEN  
THE GOLD price rose again yesterday as the market reacted favourably to the outcome of the latest International Monetary Fund auction on Wednesday.  
In London, the price ended with a gain of \$2 1/2 at \$173.50, following the rise of \$2 on the previous day. The improvement reflected the recent market recovery in sentiment in the market after the setback suffered on last month's U.S. announcement of plans to sell 1.8m. ounces of the metal in a series of six monthly auctions.  
The IMF auction on Wednesday attracted strong demand, with bids for 3.1m. ounces being entered, the biggest amount recorded since December 1976. A total of 524,800 ounces of the metal were sold to successful bidders at an average price of \$170.40 an ounce.  
The strong performance of the gold price is regarded in the market as particularly important in view of the downward pressures expected to result from the release of the metal from official holdings.  
The news of the U.S. auction plans last month, coming on top of the established IMF sales, took the price down to around \$168 an ounce, its lowest since early January and well below this year's peak of \$185 in March.  
Pressure on the market was also increased subsequently last month by the announcement of plans by India to sell an even larger amount, 2.2m. ounces, from its official holdings, on its domestic market.  
This move was designed to help stem the volume of smuggling into India, attracted by the high domestic price level which results from a ban on imports. It was announced yesterday that the Indian Government is also to establish a gold import plan, which it is expected could involve the import of some 5m. ounces a year.

**Port of London 'heading towards bankruptcy'**

BY IAN HARGREAVES, SHIPPING CORRESPONDENT  
THE Port of London Authority, which has been heading for effective bankruptcy, is now in a state of financial crisis, its chairman, John Cuckney, said yesterday.  
Mr. Cuckney, presenting his first annual report, also launched an "information paper" in which the Authority makes it plain that only a large injection of Government funds, coupled with an agreement from the workforce to close down or drastically reduce the Upper Thames Shipbuilders, part of Dock complex in London's East End will save the port.  
The information paper, couched in the most uncompromising terms, says that the reduction of the registered workforce from 24,000 to 8,000 in the last decade has been "too little too late" and that urgent measures must be taken to improve productivity and increase price competitiveness.  
The upper docks, in the Tower Hamlets and Newham districts of London, were "smoking the whole business" and would soon be costing £10m. a year to keep open. If the Government required these docks to be retained on social and employment grounds, it must meet the cost of doing so. Closure of the Upper Docks could mean the loss of up to 5,000 jobs as well as seriously prejudicing the future of the upper river section of River Thames Shipbuilders, which rents five drydocks from the Authority.  
If British Shipbuilders decided it was no longer feasible to run a repair business 19 miles up river from Tilbury, another 4,000 jobs could go.  
These were some of the pressures which prevented the Authority from forcing through a plan to rationalise the Upper Docks in 1975.  
Mr. Cuckney said that if present trends continued, the port's losses could mount to £20m. by 1982 and this is some indication of the sum the Government may have to find if it chooses to resist the closure.  
The Authority's accounts, qualified pending negotiations with the Government, also show that the port's reserves, which have been virtually exhausted, having declined from £36m. five years ago. Although Mr. Cuckney said yesterday he did not wish to apportion blame for past failures, the information paper is brutally frank about shortcomings in the port's industrial relations.  
It says that overmanning, port working practices and high levels of absenteeism have driven away business and created a workplace "in which frustration, fear, cynicism and discontent are rife."  
News Analysis, Page 15

**Bidders warned off Redfearn**

BY CHRISTINE MOIR  
REDFEARN NATIONAL GLASS, which has been besieged by suitors for nearly a year, was quietly rejecting yesterday the news that its independence—at least, from another major U.K. glass company—has been virtually guaranteed.  
The last two suitors, Rockware Group and United Glass, are to be asked by the Director-General of Fair Trading to give undertakings that they will not go ahead with their bid approaches. The move follows publication of a 79-page report by the Monopolies and Mergers Commission which concludes that the two proposed mergers "might be expected to operate against the public interest."  
At the heart of the objection is the fear that if Redfearn merged with either of the two companies it would "lead to diminished competition, to the risk of less adequate provision of capacity in the United Kingdom to meet demand and, in the short term at least, to the risk of increased imports."  
In 1977 imports of glass containers almost doubled to 10 per cent. of the total supply, and with serious over-capacity among European glassmakers the pressure of imports is increasing steadily.  
Against this background, the report says, glassmakers would naturally be cautious about adding to capacity, though current capacity has been unable to meet full U.K. demand at certain times in recent years.  
Each of the three major companies had investment programmes in hand designed to increase capacity. If they were reduced to two, the increase in capacity was unlikely to be as great as that now proposed with each company independent.  
This in turn could jeopardise security and continuity of domestic supply, which has already been criticised by customers within the industry.  
The report continues that these probable disadvantages, which could further increase the threat from imports and lead to higher prices, are not outweighed by the possible advantages.  
On the news Redfearn's shares dropped 27p to 288p on the day. Earlier the fall had been as much as 39p.

**Big swing to Tories in London**

BY PHILIP RAWSTORNE  
THE CONSERVATIVES swept to victory in the London borough elections last night forcing Labour back into its central strongholds.  
But outside London, the district elections showed a substantial Labour recovery.  
Conservatives wrested control of five of the outer London boroughs from Labour and gained overall control in another, Haverling, on an anti-Labour swing of 7 per cent.  
This pro-Conservative tide is comparable to that registered in recent by-elections in Ilford and Lambeth.  
The victories gave the Tories control of the influential Association of Metropolitan Authorities and the London Boroughs Association but fell short of securing the Inner London Education Authority.  
Conservative votes rose markedly in Hillingdon where a left-wing Labour regime was ousted and in Wandsworth where ratepayers revolted against a 20 per cent. rate increase.  
Though the results were affected by the redrawing of ward boundaries since the last elections in 1974, the Tories created the victors as an indication that the Government's electoral recovery was still not off the ground.  
Mr. Michael Heseltine, the party's local government spokesman, said that the Tories had established a commanding position for the General Election.  
But outside London, the elections were much more closely fought. The results showed a swing to the Conservatives since 1974 of only 4.5 per cent.—well below London's voting shift.  
Mr. Peter Shore, Secretary for the Environment, said that the results in defending seats won in 1974 and 1976 were "very encouraging."  
"In the great cities of the provinces, we have done remarkably well," he declared, "the overall result, following the Labour recovery in Scotland, suggest that although an autumn election could still be an option, Chichester could still be an option, Chichester could still be an option, Chichester could still be an option."

**RESULTS FROM 75 DISTRICTS**

	GAINS	LOSSES
LABOUR	78	90
CONSERVATIVE	118	86
LIBERAL	17	21
INDEPENDENT	19	35

**LONDON**  
Tory gains: Hounslow, Wandsworth, Waltham Forest, Ealing.  
**OUTSIDE LONDON**  
Tory gains: Sandwell.

**Let us take the weight from your shoulders**

Hillier Parker's professional teams locate suitable sites and buildings, assess rebuilding prospects, arrange funding, select the building team, manage projects, let surplus space - in fact, take all the weight and the responsibility.  
If you are thinking of investing funds, or need more space, an extension or a renewal  
consult:  
**Hillier Parker**  
May & Rowden  
77 Grosvenor Street, London W1A 2BT 01-629 7666  
and City of London, Edinburgh, Paris, Amsterdam, Sydney, Melbourne, Brisbane

**CONTENTS OF TO-DAY'S ISSUE**

European news	23	Technical page	16	Int'l. companies	31-33
American news	4	Management page	17	Wall Street	34
Overseas news	4	Arts page	19	Euromarkets	4
World trade news	5	Leader page	28	Foreign Exchanges	34
Home news-general	6, 7, 15	U.K. companies	26-30	Farming, raw materials	41
Labour	8	Mining	29	U.K. stock market	42
Parliament	9				

**FEATURES**

Inside Rhodesia's guerrilla	20	Merger puts more muscle into machine toolmaker	17	Nigerian Economy: Lagos	3
Politics Today: The Opposition Blues	25	Lending to Algeria: Financing Sonatrach until 2005	32	Chirac defies government over who pays Paris police	3
Energy Review: Hauling NCB over the coals	11	Oil's Board changes	33		
Around Britain: Hall's caravans	18	Australia's Economy: Some good news for Fraser at last	4	FT SURVEY	
				Ninian Central Platform	35-40

**COMPANIES**

Appointments	11	Men and Markets	20	Greenbank Industrial	28
Bank Returns	12	Property	22	T. C. Harrison	30
Crusade	13	Racing	23	J. Lewis Franchise	30
Entertainment Guide	14	Sloven	24	Nat. Bk. Abu Dhabi	31
Finance	15	Share Information	25	Panama	32
Food Prices	26	Stock Exch. Report	26	Port of London Authority	33
FT-Actuaries Index	27	Today's Events	27	Triglav Aktien	32
Letters	28	TV and Radio	28	Valvo	33
Lex	29	Unk. Treas.	29	ADVERTISING	
London	30	Weather	30	Thos. W. Ward	21-26

For latest Share Index 'phone 01-546 8026



## EUROPEAN NEWS

## Irish Post Office engineers end strike

By Our Own Correspondent

DUBLIN, May 4.

IRISH POST Office engineers have voted 4 to 1 to accept proposals worked out under the mediation of the Irish Congress of Trade Unions to end their three-month-old strike. There is hope, too, that the country's other major strike, affecting the state airline, could also end this week-end.

The engineers will return to work on Monday under the terms of an agreement which deals with the two central issues in their complicated dispute. These involve work which can be classified as new, for which productivity payment could be negotiated, and settling in place machinery for processing their productivity claim quickly.

Telephone and Telex services are expected to return to normal quickly. But those whose telephones are out of order may have to wait until normal services are restored before repairs are carried out. The cost and effects of the dispute have been matters of some controversy. Financial estimates have ranged as high as £1m. a day, but there is general agreement that the most serious effects will be on Ireland's image as an attractive location for industrial investment. The Government, however, has strongly rejected claims that this image has suffered lasting and serious damage.

Monday's return to work may not be the end of trouble in the Post Office. The negotiations are likely to be long and complicated, and there still remain considerable doubts about whether the Post Office structures can accommodate the strains of a large-scale investment programme designed to bring Ireland's telecommunications system to acceptable modern standards.

## Brezhnev calls for greater effort on disarmament

BY JONATHAN CARR

BONN, May 4.

MR. LEONID BREZHNEV, the Soviet President, today publicly appealed for new disarmament efforts to make sure that the neutron weapon never saw the light of day.

Mr. Brezhnev's blunt reference to the weapon, in an address prepared for delivery at a banquet at the end of the first day of his visit to West Germany, took many observers by surprise. He described the weapon as an "ominous gift of Danae" (a reference to the wooden horse which brought the downfall of Troy) which some wished to offer to the peoples of our continent.

It had been widely expected

that Mr. Brezhnev would raise the question of the weapon during his planned seven hours of private talks with Chancellor Helmut Schmidt. But it was not thought likely he would raise the matter publicly at the very start of his four-day trip.

The neutron weapon was a matter of intense dispute in the Federal Republic—and not least in Herr Schmidt's own party—in the weeks preceding President Carter's decision to postpone production.

The Government's official stand is that it would be ready to have the weapon on West German soil if the U.S. finally decided to go ahead with pro-

duction and if insufficient progress then emerged in East-West disarmament talks. Almost all Mr. Brezhnev's address was about disarmament—much of it expressed in urgent and almost personal terms. He noted that it was said that people become used to almost anything—in war to danger and in good times to well-being. "So long as one is not sick, one gets used to one's own health," he said.

This reference too was widely remarked upon, in view of the earlier postponement of Mr. Brezhnev's visit here on health grounds, and widespread speculation on how all the 71-year-old leader may really be.

Mr. Brezhnev went on to say that for 30 years there had been peace in Europe and people had begun to get used to that. The most dangerous thing would be to become lazy and simply let events take their own course. Disarmament is one of the key themes to be discussed not only by Herr Schmidt and Mr. Brezhnev, but also between the foreign ministers of the two countries. Particularly under scrutiny by the German side will be Soviet intentions for the Mutual and Balanced Force Reduction talks (MBFR) and the Strategic Arms Limitation Talks (SALT)—where a second accord with the U.S. appears in sight.

Further major topics are Berlin, and economic co-operation.

At a news conference this evening the Soviet Union showed that its stance is unchanged over the non-inclusion of West Berlin in three agreements with West Germany, prepared but never signed. The agreements relate to cultural affairs, legal aid, and technical co-operation.

Mr. Leonid Zamyatin, the Soviet spokesman, said the real dispute was not over inclusion of West Berlin, under the Soviet Union was under pressure to work with the Federal German agencies in West Berlin—which it refused to do.

SALT hope Page 4

## Belgian coalition strains worsened by union clash

BY DAVID BUCHAN

BRUSSELS, May 4.

GROWING STRAINS within Belgium's ruling coalition, caused chiefly by Prime Minister Leo Tindemans' push for a radical overhaul of State finances, have been compounded by a confrontation between the Government and unions representing 780,000 public sector workers.

At issue are union demands for a reduction in the standard working week to 38 hours together with increased fringe benefits. The extra cost of meeting these demands has been put at B.Frs.10bn. Even though some progress was made in talks yesterday, Mr. Tindemans will not want to concede the whole of these demands if his aim of keeping the current 1978 budget deficit down to B.Frs.65m. is to be met.

Transport workers went on wildcat strikes last week and a continuing postal strike is not expected to end before next week.

More ominous, for the unions and the Socialist Party, the

second biggest group in the coalition, are the long-term public expenditure cuts the Government is planning.

The package of cuts is due to be announced by the end of this month, in time to affect the preparation of next year's budget. Mr. Tindemans has said he will make its passage through Parliament an issue of confidence in his Government.

Socialist leaders, notably Deputy Prime Minister Leon Hurez, have this week warned that the cuts should not bear disproportionately on pensions, unemployment pay, education and health insurance.

In further complication, one of the minor coalition parties, the FDF, which represents the Brussels French speakers, has dispute was not over inclusion of a party to unpopular spending cuts, unless at the same time the Government speedily presents to Parliament legislative plans for regional reform.



President Brezhnev (centre) is helped to his feet by his Foreign Minister, Mr. Andrei Gromyko (left), and West German Chancellor Helmut Schmidt after talks at the Chancellery.

## E. Germany heals rift with Iran

By Leslie Collet

BERLIN, May 4.

EAST GERMANY appears to have assuaged the Shah of Iran over the occupation of the Iranian embassy in East Berlin and the seizure of the ambassador in late February by 12 Iranian students who were given suspended jail sentences and deported to West Berlin.

A large East German trade deal with Iran appeared threatened by the subsequent anger of the Iranian Government.

Iran's ambassador to East Germany, who was recalled by Tehran in protest about the light sentences given to the embassy occupiers, has met Herr Erich Honecker, East Germany's Communist Party Leader and President.

Ambassador Amir Hossain Farzaneh and Herr Honecker are said to have had talks in a "receptive atmosphere" on relations between the two countries.

Iran had ordered 1,000 railway cars worth \$75m. from East Germany.

## Red Brigades 'try to divide parties'

BY PAUL BETTS

ROME, May 4.

THE VIEW is hardening here in official circles that the Red Brigades terrorists, holding offences and the provisional release of certain terrorists in prison awaiting trial.

These proposals are to be examined in the next few days.

Since their communique 10 days ago containing demands for the release of 13 named prisoners in exchange for freeing Sig Moro the Red Brigades have remained silent.

Instead, they have apparently switched tactics in their "psychological war" against the State by only releasing letters purportedly addressed by Sig Moro to leading politicians, urging them to reconsider the official hard-line position.

Sig Moro's latest letters have had disturbing political repercussions not only within the ruling Christian Democracy Party but also among the other parties.

A heated controversy has followed the "humanitarian proposals" of the Socialist leader, Sig. Bettino Craxi, to save the former Premier's life.

The proposals are understood to entail an amnesty for terrorists charged with minor offences and the provisional release of certain terrorists in prison awaiting trial.

These proposals are to be examined in the next few days.

Since their communique 10 days ago containing demands for the release of 13 named prisoners in exchange for freeing Sig Moro the Red Brigades have remained silent.

Instead, they have apparently switched tactics in their "psychological war" against the State by only releasing letters purportedly addressed by Sig Moro to leading politicians, urging them to reconsider the official hard-line position.

Sig Moro's latest letters have had disturbing political repercussions not only within the ruling Christian Democracy Party but also among the other parties.

A heated controversy has followed the "humanitarian proposals" of the Socialist leader, Sig. Bettino Craxi, to save the former Premier's life.

The proposals are understood to entail an amnesty for terrorists charged with minor offences and the provisional release of certain terrorists in prison awaiting trial.

## Kreisky will serve new term

By Paul Lendvai

VIENNA, May 4.

AUSTRIA'S 67-year-old Socialist Chancellor, Dr. Bruno Kreisky, has agreed to serve another term as Prime Minister if the Socialists were to win the next general election.

At the same time, he rejected the possibility of a coalition with the small opposition Freedom Party in the event that the Socialists lose their absolute majority at the elections which have to be held in the autumn of 1979 at the latest.

It is the impending takeover of the leadership of the Freedom Party by a right-wing politician, Dr. Alexander Gnetzl, the mayor of Graz, which put an end to the speculation concerning a West German-type "small coalition" in Austria.

Meanwhile, the campaign for this autumn's important municipal elections in Vienna, where the Socialists have a two-thirds majority, has opened this week. The Vienna poll is regarded as a significant political pointer.

## Fly to the Big Country with Braniff's new low fares.

The only non-stop from London to Dallas-Fort Worth, gateway to America's Big Country. 747 daily. Leave: 11.45am. Arrive: 3.05pm.

No other airline comes within sight of it. The only 747 daily service to America's Southwest from Britain, the only non-stop service from London Gatwick to Dallas-Fort Worth—and now at prices that turn one of the most exciting regions in the world into a practical proposition.

## THE DALLAS-FORT WORTH GATEWAY

Dallas-Fort Worth is the newest gateway to America's Big Country, the great states of the Southwest, West, South and Mid-America. Arrival time accommodates connecting Braniff flights to major cities throughout the Big Country and Mexico. For example:

BRANIFF LOW FARES - LONDON/DALLAS-FORT WORTH			
FARE CLASSIFICATION	FARE	CONDITIONS	
First Class	One Way £398.00 Return £796.00	None	
Economy	One Way £215.50 Return £431.00	None	
Advance Purchase Mon-Thur	£235.50	Reservations made and tickets purchased 30 days prior to date of travel	
Excursion Fare Round Trip	Fri-Sun £246.50		
Budget	One Way £78.00 Return £182.00	Reservations made and tickets purchased 21 days prior to date of travel. Braniff will give you 7 days notice of actual day of departure	
Standby	One Way £78.00 Return £182.00	Pay for your ticket on day of departure up to 2 hours before flight departure	

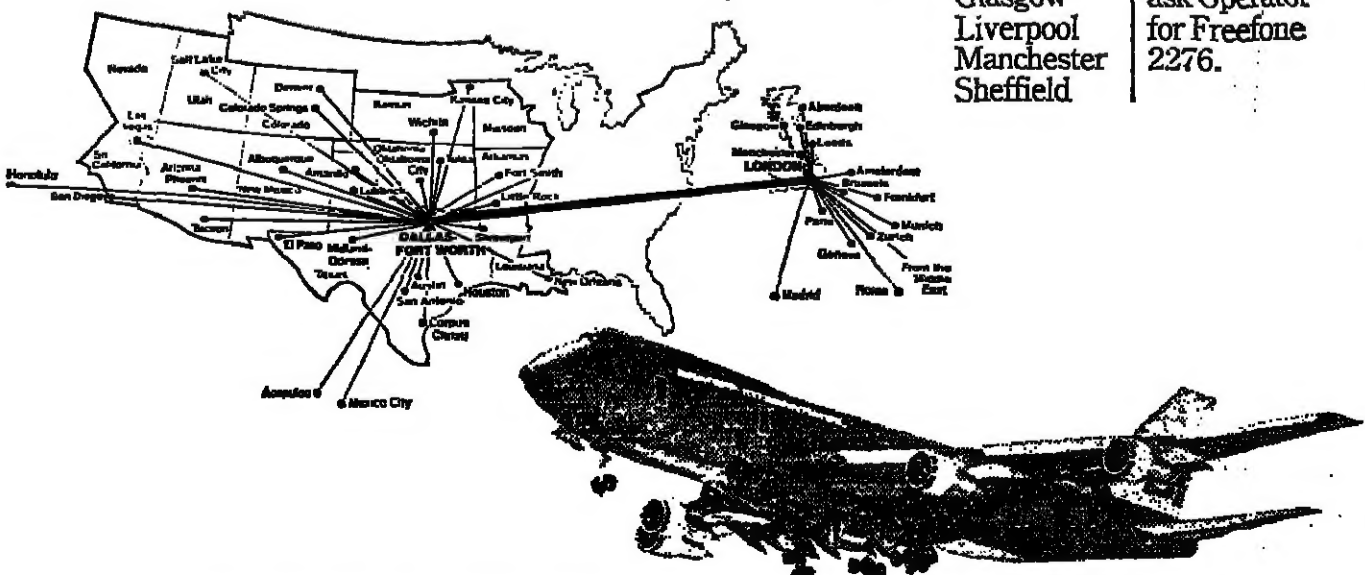
\*When travelling from London to Dallas-Fort Worth on Sat. or Sun., and from Dallas-Fort Worth to London on Fri. or Sat., add weekend surcharge of £6.00 each way.

\*During the period 1st July-30th Sep. peak season rates apply to Economy, Apex and Budget Fares.

Leave London Gatwick 11.45am  
Arrive Dallas-Fort Worth 3.05pm  
Houston 5.50pm  
San Antonio 5.45pm  
Oklahoma City 5.00pm  
Tulsa 5.10pm  
Denver 5.30pm  
Kansas City 6.40pm  
Mexico City 7.50pm

**RESERVATION SERVICE**  
For flight schedules and reservations (including seat assignment) call your travel agent or the Braniff reservations centre in London 01-491 4631.  
Aberdeen  
Birmingham  
Edinburgh  
Glasgow  
Liverpool  
Manchester  
Sheffield

In these cities Dial 100 and ask Operator for Freephone 2276.



## BRANIFF INTERNATIONAL

Mainland USA, Alaska, Hawaii, Mexico, South America and Europe.



## We can give you some hot market tips.

The Common Market is in our backyard. Our headquarters is in Brussels, 200 metres from headquarters of the Common Market, the economic nucleus of Europe. This proximity—and over a century of Belgian banking—gives us an insider's insight into economic Europe. Which helps us help you make sounder business decisions and plans. Brussels means Europe. It's not only the home of the E.E.C., it's also the heart of Europe. With major international businesses a part of every neighbourhood. Which means that anything of any importance in Europe happens within earshot of Brussels. And of Banque Bruxelles Lambert. Once again, you can profit from our strategic location.

Plus we get scoops from around the world. Our network covers more than just Belgium with 1000 retail branches here. It covers more than just Europe.

It covers, in fact, most of the world through subsidiaries, representative offices, affiliated and associated banks, correspondents, and through banking communities like SFE and Associated Banks of Europe (ABECOR). This international network gives you contacts and information wherever you do business. And, of course, it also gives you the same wide range of financial services as any major international bank. But what makes us different from these other banks are our local connections in Belgium, in Europe, around the world. As well as our individual approach to each client's individual needs. Which could mean approaching you with a hot market tip every now and then.

**Banque Bruxelles Lambert**  
banking, a matter of people

We are the ABECOR bank in Belgium. Marnixlaan 24, 1050 Brussel. Tel. 02 513.81.81. Telex 26392 BBLIN

هكذا أنت الأول



## EUROPEAN NEWS



Paris riot police chasing a group of anarchists who disturbed the traditional trade union May Day march last Monday.

### Chirac defies the Government over who pays the Paris police

BY DAVID WHITE IN PARIS

ONE idea that President Valéry Giscard d'Estaing must be wishing he had never had was that of giving Paris an elected mayor. It backfired immediately when M. Jacques Chirac, the Gaullist leader, insisted on standing for the post early last year, against the President's wishes and against the President's own candidate, and won.

Now, just over a year later, M. Chirac is standing defiant in his first big confrontation with the Government, in which his party is the most powerful coalition member. The row is over the city's 13,300 police, not far from, about what they are up to, but about who pays for them.

The Government is now digging into its law books to find ways of forcing Paris to pay its statutory share of the police bill. On the other side of the barricade, M. Chirac has almost the whole of the Paris council behind him.

The council last week voted unanimously—albeit with six abstentions from the pro-Giscard camp—to uphold its decision of December last year to top Frs.1,520m. off its contribution, accepting to pay only Frs.150m. out of its 1978 budget. This followed publication of an Interior Ministry decree in April, overriding the council's decision and putting the city's share down as the full Frs.292m. (about £34m.).

The row has created the strangest of alliances within the Paris council, between M. Chirac and the Communists and Socialists, elected mainly from the city's fringe areas. When M. Chirac became mayor they saw him as a villain surrounded by cronies.

They voted against the 1978 budget. But when M. Chirac is defending the citizenry against big tax increases—the mayor says that footing the police bill would mean raising local taxes by 15 or 16 per cent. instead of the 10.5 per cent. promised—they are on the same side.

The handful of representatives of M. Giscard's centrist group voted for the budget decision, made after a heated debate, and are now squirming as a result.

The mayor's argument is that Paris is being penalised. Big towns in France are supposed to chip in with a quarter of the cost of their police force. But this time is enforced only in the capital, where says the mayor, the police spend a lot of their time on activities such as guarding embassies, which are not directly connected with the town. Towns like Lyon or Marseille pay only Frs.330 per citizen per year for the police, and at this rate, M. Chirac argues, Paris is being asked to pay 40 times too much.

Paris, says M. Chirac, is no longer the rich place it was. Its population is declining and getting older. A third of the population is over 65.

The city's running costs are budgeted at Frs.7,260m. M. Chirac wants to spend on the pensioners, on housing and on culture, but not on a police force which in any case he sees as inadequate.

### France continues Chad military build-up

BY OUR OWN CORRESPONDENT

FRANCE IS continuing to build up its military presence in Chad in support of the embattled regime of General Félix Malloum.

About 200 French marines are reported to have been sent to the Chad capital N'Djamena (formerly Fort-Lamy) over the past few days, bringing the total number of French military personnel in the country to around 1,500.

About 500 of the French soldiers are classed as advisers and technical assistants to the Chad forces.

Reinforcements, which include detachments of Foreign Legionnaires and paratroopers, began in earnest last month, after strong gains in the north of the country by the rebel Frontline movement. Three French military personnel have been killed in recent fighting.

Last week, France moved 10 Jaguar fighter-bombers from its air base in Dakar to the Chad capital, as French civilians began to be evacuated from N'Djamena.

President Valéry Giscard d'Estaing emphasised that the French troops would not engage in offensive actions and that they were there at the request of General Malloum.

The military situation is reported to have deteriorated sharply, and M. Chirac has accused the Libyan-backed rebels of breaking a cease-fire agreement. The rebels, signed on Libyan territory in the presence of representatives of other neighbouring countries, was according to Frontline, pegged to the withdrawal of all foreign forces.

French nationals in Chad have been threatened with reprisals, and some French civilians are reported to have been attacked in the southern town of Moundou.

France's Communist Party has condemned the military build-up and accused the Government of using the pretext of co-operation to renew its interference in the internal affairs of Chad. French troops were participating directly in armed operations against Frontline, it said.

### Portugal and IMF agree on terms for deficit aid

BY JIMMY BURNS

LISBON, May 4.

PRIME MINISTER Mario Soares confirmed this afternoon that Portugal and International Monetary Fund negotiators have initiated an agreement on the terms which Portugal must accept before being granted nearly \$800m-worth of Western aid to cover her balance-of-payments deficit.

Speaking at a luncheon for foreign television representatives, Dr. Soares said that the "letter of intent" with details of the conditions agreed upon, would be published within the next three weeks, and that final agreement would be signed within the next three months.

Earlier today, Dr. Soares told journalists that Portugal wished to attract Spanish investment, and that the problem of indemnification would soon be resolved by the Portuguese Government.

Dr. Soares was speaking following a 60-minute private meeting with King Juan Carlos of Spain, who yesterday began a three-day official visit to Portugal.

The present governmental alliance of Socialists and Christian Democrats (CDS), since forming last January, has given repeated assurances that foreign businessmen and farmers would be either compensated or have their property returned before the end of this year, but to date only a few have had their problems resolved.

A number of Spanish farmers (as well as British, German, French, Italian and Austrian) had their land seized at the height of the Communist-inspired radical land reform in the fertile Alentejo region of southern Portugal, in 1975.

Despite assurances by the military authorities then in power that foreign property would be protected, some Spanish businessmen and farmers were also affected during the radical period of the revolution.

### Call to reopen talks on Cyprus

NICOSIA, May 4.

MR. OSMAN OREK, the new Premier of the self-proclaimed Turkish Federated State of Cyprus, yesterday appealed to Dr. Kurt Waldheim, the United Nations secretary-general, to reconvene the inter-communal talks on the future of the divided island.

Mr. Orek was reported as saying that if the talks between the Greek and Turkish Cypriots were resumed "the Turkish Cypriot side would extend its constructive support in every way possible."

Reuter

## OVERSEAS NEWS

### THE NIGERIAN ECONOMY

### Lagos: ushering in a new period of financial austerity

BY JAMES BUXTON

THE NIGERIAN budget for the current financial year, announced last month, is the clearest indication so far that the boom years for the Nigerian economy are over and that the most populous country in Africa—with 80m. people faces what is likely to be a period of lean years.

The recent deaths of about a dozen people in riots by students protesting at higher fees emphasise the political unpopularity of the austerity policies the Government now believes are essential.

Lieutenant-General Olusegun Obasanjo, the head of state, has consistently tried to convey to the Nigerian people in his budget speeches from 1976 that Nigeria, though the world's eighth largest oil exporter, is not a rich country. He has attempted to rein back government spending which has contributed to high inflation and a deteriorating balance of payments.

So far these efforts have not been very successful. Government departments have spent more and more on recurrent items alone each year, while the Government has been reluctant to prune development spending on potentially productive projects. Nigeria's 19 states, although they obtain a slice of the nation's oil revenue as of right, have run up increasing deficits, part of which the federal Government has had to make good.

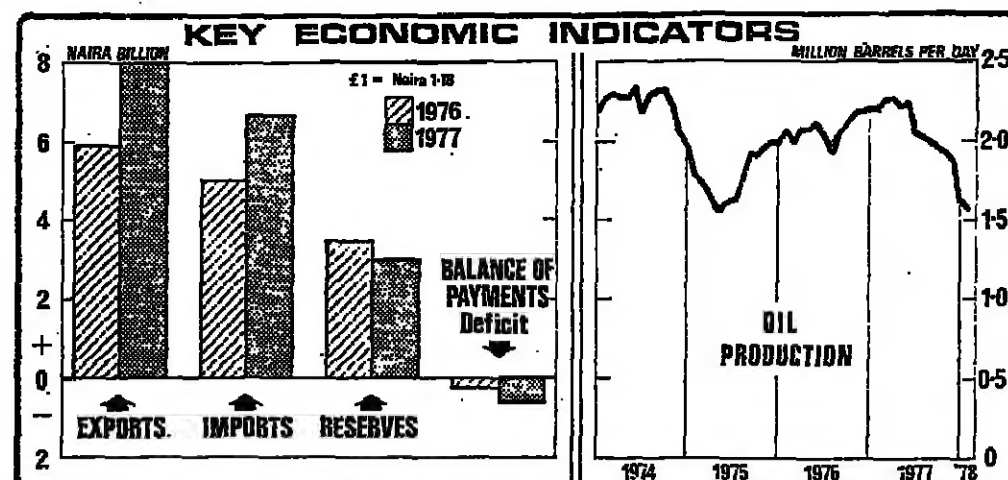
As federal and state governments have pumped money into the economy, imports have continued to rise, though so far they have kept behind exports. Fiscal measures to reduce inflation have had little effect. The Government has only been able to tackle the serious problems such as port congestion which plague Nigeria. With the unexpectedly rapid rise in recurrent spending, and oil output not increasing as planned, Nigeria has begun a programme of borrowing overseas to help fund development.

This January it signed a \$1bn. syndicated bank loan and the World Bank has promised up to \$500m. annually for the last two years of the current plan period.

Though borrowing inevitably imposes tighter financial discipline, the crucial factor behind the 1978 budget—the sternest yet—is an alarming drop of about 27 per cent. in Nigeria's oil output between the first two months of last year and the corresponding period of this year. February's output of 1.57m. barrels per day was Nigeria's lowest since May 1975.

The fall in output, which has led to some oil price trimming by Nigeria, could herald a period of generally lower oil revenues lasting several years, since it stems mainly from coming on stream of North Sea, Mexican and Alaskan fields. Nigeria expects total government revenue, of which about 80 per cent. comes from oil, to be only Naira 6,820m. (£560m) this year compared with last year's budgeted figure of N7,620m.

This year the Government is trying harder than ever to cut spending. Federal ministries now have to cut their estimates by up to 20 per cent. and a committee is trying to reorganise ministries and agencies to cut duplication and waste. Total federal recurrent spending for this financial year is put at N2,850m. compared with N3,150m. for last year. It involves cutting federal ministries' spending by 22 per cent. from N2,550m. though the Government has had to increase its non-statutory allocations to States (to help them pay for



such things as Nigeria's programme for giving every child primary education).

It is not clear how effective such drastic cuts can be. The biggest spending ministry in Nigeria after the Ministry of Defence, whose recurrent budget has been cut from N\$17m. last year to N\$97m. this year, Nigeria now has about 230,000 servicemen, a hangover from the Biafra war, and though it has started demobilising, the military Government is moving with understandable caution. Increased demobilisation is nevertheless what the budget cuts appear to suggest. The Defence Ministry is also planning to spend N706m. on capital work, more than twice the budgeted figure for two years ago.

For exporters to Nigeria the biggest shock of the budget was the outright banning of fourteen categories of goods, including ready-made clothing, furniture, carpets, frozen meat and jewellery. The importing of many other goods was put under licence.

Britain, which exported £1,070m. worth of goods to Nigeria last year (Nigeria is now Britain's ninth largest export market) could lose more than £50m. worth of exports a year.

It is Nigerians who, as Gen. Obasanjo made clear in his budget speech, will suffer most from the new austerity. Prices will go up because of new taxes and tolls, shortages of goods, lifting of price controls and higher interest rates, while the Government has given no hint of easing pay restrictions. To reduce liquidity, banks are only to be allowed to increase the total of loans and advances by 30 per cent. a year, compared with 40 per cent. last year (a limit which not all banks managed to keep to). Importers of everything except for capital goods and a few other items will have to deposit 100 per cent. of the value of their letters of credit with the Central Bank, compared with the rate formerly imposed by the commercial banks which averaged about 33 per cent.

The Government wants to devote as much official spending and private investment as possible to the productive sectors of the economy. Nigeria's traditional export commodities—cocoa, groundnuts, palm oil and rubber—have stagnated in the past five years, and food production has failed to keep pace with the rise in population. The Commissioner for Finance, Major-General James Olukeye, noted in the budget that though Government investment in agriculture is beginning to show results, there had not been much response to Government financial incentives to farmers to grow more over the past two years. He announced further tax incentives for agriculture, and an Agricultural Credit Guarantee scheme has come into operation up to back loans to agriculture by the commercial banks.

In that light, agriculture and livestock's share of the development budget at N112m. may appear relatively low compared with other allocations. But the emphasis at this stage in Nigeria's economic development is on building the physical and social infrastructure which will allow faster growth in agriculture and manufacturing in the next plan period (1980-85). The total development budget is N\$5.2bn, with special concentration on education, electricity supplies, telecommunications, water supplies and land and water transport.

The problem of demonstrating that it can restrain recurrent spending to continue to produce a surplus for development, and that it can spend its development budget well, is the most important test Nigeria now faces. It will not become any easier when, in October next year, civilian rulers take over from the present military regime and sectional interests in the federation have a chance to assert themselves more strongly. But if Nigeria passes the test it will matter much less if the balance of payments goes deeper into deficit—last year's deficit was N\$60m. (£490m.)—or if the trade surplus (which was N13bn. or \$2bn. last year) turns into a deficit and causes a corresponding drain on Nigeria's reserves (a healthy N\$3bn.—\$4.8bn. at the end of 1977). These things will happen if oil revenues do not sharply improve, but with sound economic management Nigeria will be able to continue borrowing easily abroad.

Many forecasts suggest that the oil market will turn decisively in Nigeria's favour in the early or mid-1980s. The oil companies have resumed large scale exploration as a result of recent Government incentives and Nigeria's proven reserves and production capacity could rise. The World Bank's confidence in Nigeria's agricultural and rural development projects is an encouraging sign that Nigeria is on its way to realising its immense economic potential.

# OCL The international trade mark.

Overseas Containers Limited was formed by four famous British shipping lines to concentrate centuries of experience in maritime trading into a modern system of cargo transportation.

Today, nine years after operations started and well over a million container loads later, OCL has invested over £500 million in a fleet of purpose-built containerships, containers, terminals, hardware and equipment and, most of all, people.

With a route network now linking four continents, OCL has become Europe's biggest container transport operator

and a world leader in international trade, and in the process is helping to shape the patterns of world-wide distribution.

Serving over 40 major ports, the OCL Group, its subsidiaries and agents, provide rapid, efficient and total transportation of containerised export and import goods, door-to-door, between virtually any locations throughout Western Europe and Australia, New Zealand, the Far East, South East Asia and South Africa.

And that is only the beginning.



**europcar**

To rent a car in London, Bristol, Southampton, Manchester, Glasgow, Edinburgh, Birmingham, Gatwick, Heathrow, Brighton.

**01-848 3031**

Or your travel agent.

In the U.S. & Canada call 1-800-848-3031

### MINERALS AND RESOURCES CORPORATION LIMITED

(Incorporated in Bermuda)

RESTRUCTURING ARRANGEMENTS FOR THE BOTSWANA RST LIMITED AND BCL LIMITED SELEBI-PHIKWE PROJECT AND ADJUSTED RELATIONSHIP WITH ZAMBIA COPPER INVESTMENTS LIMITED

At the Special General Meeting of members of the company held in Bermuda on 4th May, 1978 the ordinary resolution, as set out in the notice of meeting dated 12th April, 1978, was passed without modification. A poll was taken and the result was as follows:—

No. of Members	No. of Shares	No. of Members	No. of Shares	No. of Members	No. of Shares
1	54,301,994	1	1,850	1	3,375

Shares held by the Anglo American Corporation of South Africa Limited, De Beers Consolidated Mines Limited and Charter Consolidated Limited groups in the amount of 54,373,375 were voted in favour of the resolution.

Members are accordingly notified that the actions of the directors in entering into an agreement with Zambia Copper Investments Limited and making the arrangements relating to the restructuring of Botswana RST Limited and BCL Limited have been approved and confirmed.

Perth, Bermuda  
4th May, 1978

Overseas Containers Limited, Beagle House, Brahm Street, London E1 8EP. Tel: 01-488 1313  
OCL Regional Offices: Barking (London) 01-593 8181. Southampton 0703 35200. Leeds 0532 712255. Swansea (OCL Agent) 0792 53926  
Liverpool 051-236 9911. Manchester 061-228 6373. Glasgow 0236 24922. Newcastle 0632 810261. Birmingham 021-356 6933



## OVERSEAS NEWS

## S. African troops launch attack over Angola border

JOHANNESBURG, May 4.

SOUTH AFRICA said today it had launched a limited military offensive against SWAPO guerrillas inside Angola. Mr. Peter Botha, the Defence Minister, said in a statement that South African troops had entered Angola after large numbers of guerrillas from SWAPO (the South West African People's Organisation) had repeatedly attacked targets in South West Africa (Namibia).

The announcement followed a report from the official Angolan news agency Angop that South African troops had occupied the important mining town of Caxango after bombing it intensively.

Mr. Botha said: "As a result of the ominous buildup of SWAPO forces in southern Angola and the extensive campaign of intimidation of local inhabitants and the murders of political leaders in South-West Africa, as well as a large number of border violations during the past few weeks, a limited military operation against SWAPO forces has been carried out over the border."

"The limited operation was embarked on after large numbers of heavily-armed SWAPO terrorists recently crossed the border, attacked our forces in Ovambo and fled back to safety in Angola."

Mr. Botha said the Ruacana power station on the borders of Namibia and Angola had also been attacked and was extensively damaged.

"After the attack, the latest since SWAPO intensified its hos-

## AUSTRALIA'S ECONOMY

## Some good news for Fraser at last

By Kenneth Randall in Canberra

THE ANNOUNCEMENT last week of a rise of only 1.3 per cent in Australia's inflation rate for the first quarter was the best news that Mr. Malcolm Fraser's Government has had on the economic front since it took office a little over 28 months ago.

As the former Liberal Party Prime Minister said in a statement: "When you look at all the figures on economic performance, you can only say 'thank heaven for the inflation figures'."

Unemployment remains at about 6.5 per cent, representing about 420,000 people out of work. Retail sales, in real terms, were only 0.5 per cent higher in the December quarter than they had been a year earlier. The car industry, whose activity is excluded from the retail index, remains so deeply depressed that further government rescue action is in the air. The trade account was \$200m in the red for the March quarter and the balance of payments would have been \$200m in deficit but for the Government's defensive borrowing overseas.

In its annual survey of the Australian economy, published last week, the OECD forecast a 1978 growth rate of 3.25 per cent, as against 0.8 per cent in 1977. Given the probability of another decline in farm product this year, the forecast implies a growth in non-farm product of about 3.5 per cent. And that, in turn, would suggest that unemployment could rise by another 0.5 per cent to 1 per cent by the end of the year.

The OECD considered that the Australian Government was right to concentrate on measures to curb inflation and wage increases rather than "speeding up the pace of recovery," a departure from its normal attitude to current recovery policies.

The trouble with such anti-inflationary moves is that the Government has very limited direct powers to implement a wages policy. The persistent refusal of company profits to respond to the Fraser policy of "rolling back the public sector" to room for private sector expansion, adds to the problem.

At national wages hearings before the Conciliation and Arbitration Commission, Government lawyers have argued constantly for a reduction in real wages to bring Australia's competitive position back into line with her main trading partners.

The main statutory roles of the Commission, however, is the settlement of industrial disputes, including wage disputes. It has refused to adjust the wages system to allow for the full effects of inflation, as the unions demand, but it has also refused to take a line as tough as the one advocated by the Government.

The government cannot issue directions to the commission and must continue to rely on powers of persuasion. As Mr. Fraser commented last week: "We will continue to stress the need for the Arbitration Commission to play its part in restoring sanity to the wage determination process and reducing unemployment."

The other major disappointment to the Government has been the failure to restore a significant inflow of new corporate investment from overseas.

The latest official statistics, covering the 1976-77 year, indicated a record level of foreign investment in Australia, but this was a statistical illusion. The figure was made up of either retained earnings of foreign companies already operating in Australia or funds brought in from a parent company to help finance a new project. In both cases, the investment was being experienced in Australia.

Through most of the 1960s and the early 1970s the inflow of new investment capital was the crucial factor in Australia's economic growth. Syncope Economic Services, the Melbourne-based consultancy, published a report recently which stated: "Unless this element of investment returns, Australia is in for a period of slow growth and probably as a society."

"Unless this element returns, then, in order to avoid the social dangers that would go with a shrinking economy, we would have to make fundamental changes—in the exchange rate, in factor incomes and allocations, in internal manpower and capital policy, among other things."

"A recession," the report said, "we have about a year's grace."

Despite growing pressure from the state governments and sections of the business community, Mr. Fraser is adamant that the federal Government will stick firmly to its present policy line, with further reduction in inflation and wages growth as the primary objectives.

The Government is already into the preliminary stages of planning the 1978-79 budget, to be presented in August. According to authoritative sources in Canberra, the Prime Minister has accepted the assumption of a 6.5 per cent growth in inflation for the next financial year.

The scale of the budgetary problem, however, was illustrated last month when senior Ministers examined the first preliminary spending bids from departments. On these figures, there was a gap between income and expenditure of \$4.8bn.

The gap was created less by the spending ambitions of Government departments than the falling-away of revenue through Mr. Fraser's tax-cutting of the past two years.

In the current year, the Government is likely to incur a deficit for much the same reasons. Of close to \$4.3bn, instead of the \$4.2bn it had planned.

## AMERICAN NEWS

## Canada stand-by credit may reach \$3bn.

BY FRANCIS GHILES

THE STANDBY credit which Canada is negotiating with a group of international banks, led by Citicorp, could amount to \$3bn, three times what was expected last week when the news of massive Canadian borrowing was first announced. The terms will include an eight-year maturity and a split interest rate—the U.S. prime rate for the first four years and 1 per cent above the U.S. prime rate for the remainder. It is understood that there are no arrangements for compensating balances.

The management group includes Citicorp, Bank of America, Bankers Trust, Chase Manhattan, Chemical Bank, Continental Illinois, Drexler, Bank, Manufacturers Hanover, and Union Bank of Switzerland.

This is the biggest medium-term bank credit ever, the largest to date being the \$2.5bn which Britain raised in 1974.

Canadian borrowers raised far more in medium-term

credits last year than borrowers from any other country—\$5.3bn. If international bond issues and bank credits are added up, that figure rises to \$8.5bn, which is well ahead of the second most important borrower last year, the U.K., which only raised \$3.9bn.

Total reserves in the Canadian official exchange fund amounted to \$13.45bn on April 30, up by \$612.7m from that of March 31. There was also a decline of \$US211.3m in Canada's reserve position in the Inter-

national Monetary Fund during the month, but this resulted from other countries repaying loans from the IMF which they had previously contracted. The reduction did not reflect any drawings by Canada on the IMF credit facility.

Canadian officials said that the reduction in the IMF position was reflected almost entirely in a compensating rise in U.S. dollar holdings and, therefore, did not affect the overall level of the Government's foreign exchange reserves.

## Support against the buffeting

BY JAMES SCOTT IN TORONTO

late last year, of which only about \$US1.35bn. has been used up to the end of April, although a large amount of that was needed during the first couple of weeks of April.

Canadian bankers endorse the Government's borrowing actions unanimously and the Department of Finance and the Bank of Canada say the Government's actions are working and that there is no need for foreign exchange controls and that no borrowing will be needed.

The approach needed to stabilise the Canadian dollar, they say, is a long-term programme of tariffs aimed at restoring Canada's competitive export position. This should be supplemented by increased sales of Canada savings bonds, foreign borrowing is maintained Treasury bills and marketable

at levels consistent with an appropriate level of the dollar, deemed desirable to stimulate exports.

Mr. Chretien said the latest large foreign borrowings would reduce domestic financing needs. He said that the Government would use some of the money, converted to Canadian dollars, for budgetary purposes "depending on what our need for cash balance is." But he did not elaborate.

In his speech to the Association, he said that the domestic federal debt financing could be accomplished "without disruptive effects on the market" through a reduction in the pre-export position. This should be supplemented by increased sales of Canada savings bonds, foreign borrowing is maintained Treasury bills and marketable

bonds.

"There will be a large Canada savings bond campaign this autumn, in view of the overall size of cash requirements and in order to encourage the reinvestment of the special \$2bn. in interest coming due," he said.

The announcement of the stand-by credit, substantially more than expected, comes at a time of growing criticism of Mr. Trudeau's economic management. A poll earlier in the week showed that the Liberal Party's support had slumped to 41 per cent of committed voters, equal to that for the Progressive Conservatives. This development appears to have scotched plans for a summer election.

Liberal MPs were calling their constituents to cancel pre-election plans. Rumours circulating in Parliament Hill suggested that, if public opinion polls continue to run against Mr. Trudeau, he may resign and thus delay an election until autumn.

"With a new leader, like John Turner (a former Finance Minister who has retired to private life), they would be ready to go to the country next spring. They'd be before, said worried Progressive Conservative.

## Lebanon welcomes UN decision

BY HSN HIJAZI

BEIRUT, May 4.

LEBANON HAS welcomed the United Nations Security Council resolution yesterday aimed at boosting the strength of UN troops in Southern Lebanon to 6,000 men. At the same time the Palestinian guerrilla leader, Mr. Yasser Arafat, was reported to have ordered the arrest of the gunmen who attacked the French UN contingent in the Port of Tyre on Tuesday.

All Lebanese political quarters see in the resolution a positive step to consolidate stability in the south, the State-controlled Radio Beirut declared today.

The resolution, official sources pointed out, reaffirms the U.N. commitment to Lebanon. These sources were worried that the clashes on Tuesday could bring about a UN reluctance to get more deeply involved in a potentially dangerous situation.

Mr. Arafat's crack-down on what has been described as "irresponsible and unruly elements" was reported by informed Palestinian sources here.

They said that red-bellied members of the PLO's security branch known as the "Palestine

President Jafar Nimrali of Sudan said today after talks with Egyptian President Anwar Sadat that he expects an Arab summit to be held within eight weeks. Roger Matthews writes from Cairo. He also warned Israel's invasion of southern Lebanon had diminished hopes for a Middle East settlement.

Meanwhile, Washington has been asked by Israel to determine whether Egypt can represent all the Arab states on the West Bank and Gaza Strip issue. If not, Israel wants to make a bilateral peace deal with Egypt. Mr. Moshe Dayan, the Foreign Minister, said today, David Lenson adds from Tel Aviv.

Armed Struggle Command" went into action in Tyre early today rounding up suspects.

The clashes on Tuesday left two French soldiers and one Senegalese dead and 13 wounded, including the commander of the French battalion, Colonel Germain Salvan. Although Col. Salvan was reported to be out of danger, medical sources said

he would take about a year to recover. He was shot in both legs.

The French authorities have announced the appointment of Lieut.-Col. Dominique Viard, another paratrooper, to replace Col. Salvan in southern Lebanon.

The exact identity of the gunmen who attacked the French contingent is he believed to be a member of the UN Observer Corps based in Jerusalem, he was last seen travelling in his car south of the port of Sidon.

In Dublin, the Irish Government was formally asked today to supply troops to supplement the United Nations force.

Meanwhile, a British subject, identified as Mr. Colin Rodger, aged 30, was reported missing in southern Lebanon since Tuesday. A member of the UN Observer Corps based in Jerusalem, he was last seen travelling in his car south of the port of Sidon.

In Dublin, the Irish Government was formally asked today to supply troops to supplement the United Nations force.

Chinese Communist Party Chairman and Premier, Hua Guofeng, has left Peking by special train for North Korea on his first trip outside his country.

The New China News Agency said he had left on an official friendly visit to Pyongyang at the invitation of President Kim Il Sung.

## Zambia seeks judgment on 'oil sanctions breach'

BY OUR FOREIGN STAFF

THE Zambian Government is pressing the High Court in Lusaka to judge the Rhodesian subsidiaries of seven foreign oil companies in absentia for breaching sanctions against Rhodesia.

The companies are among 17 which the Zambian Government is accusing of starving Zambia of oil to build up Rhodesia's reserves. Zambia is claiming around \$4m. damages.

The Ministry of Legal Affairs in Lusaka issued a statement saying that the seven companies had not appeared in court to answer the charges as demanded by Zambia on March 21.

The charges allege that after Rhodesia declared unilateral independence in 1965 the oil companies starved Zambia of oil in order to build up the Rhodesian stock. The damages are what Zambia estimates as the resultant damage to the country's economy.

The original writs were issued against the "big five" oil companies in August last year. The companies (Shell, BP, Caltex, Texaco and Mobil) chose not to answer the charges because it would have weakened their legal position.

A statement issued at the time by Shell Transport and Trading said that the company repudiated the charge and had been advised that it should not appear in court.

"There is no proper basis on which the courts of Zambia have jurisdiction over them, read the statement. "They are further advised that to appear voluntarily in these courts could confer the jurisdiction of these courts where it does not exist and impair the protection of their assets outside Zambia."

The Rhodesian subsidiaries now facing judgment in absentia are those of Total, Shell and BP. Caltex, Mobil Oil Southern Rhodesia, Caltex Oil, and Central African Petroleum Refinery.

Mr. Daniel Lusulu, the Legal Affairs Minister, left for London today to discuss with Zambian lawyers the cases against the parent companies including the parent companies of Shell, BP, Caltex, Mobil, and Compagnie Francaise de Petroles.

None of the oil companies had any statement to make yesterday.

## Chairman Hua on trip to North Korea

Chinese Communist Party Chairman and Premier, Hua Guofeng, has left Peking by special train for North Korea on his first trip outside his country.

The New China News Agency said he had left on an official friendly visit to Pyongyang at the invitation of President Kim Il Sung.

Japanese pay rises

Workers at more than 200 major Japanese companies have received pay rises averaging 5.3 per cent for the year ending next March, compared with increases of nearly 8 per cent last year. It was announced in Tokyo, Reuters reports.

The Federation of Employer's Association said in a report that the increases for this financial year averaged 5.283 (1941) a month.

Kabul neutrality

Afghanistan's new President, Mr. Nur Mohammad Taraki, has said his country will follow a policy of positive neutrality within the framework of non-alignment.

Reuters reports from Kabul. He denied the charge that he had been killed in the coup, saying that not more than 100 people had been killed for resisting the revolutionaries.

## New tack in Singapore economy

BY PETER WEINTRAUB

SUBTLE but important changes in Singapore's economic direction came in a series of personal and corporate tax measures unveiled in February's budget. The measures provide for a 14 per cent drop in revenue from personal income tax, with the biggest concessions going to those in the highest bracket, earning the equivalent of more than \$15,200 per year.

They abolish the 10 per cent tax on distribution of profits from credit plan to stimulate locally-generated fixed investment, and concessions on warehousing and technical servicing and export promotion activities abroad.

One objective of these measures is to make Singapore more attractive to foreign business, both in the manufacturing, but for the past three years foreign investment has been adversely affected by

world-wide economic uncertainties, and for the past year, at least in Singapore's view, by new corporate and personal tax restrictions on American operations overseas. The U.S. is the largest foreign investor in Singapore.

By attempting to stimulate local investment, which has declined from \$58m. in 1975 to \$17m. last year, the Government may be seeking to cushion itself against the prospect of future foreign investment difficulties.

The other major part of the economic development formula is that the volume of exports has grown rapidly. But the combined threat of protectionism, growing competition from such countries as South Korea and Taiwan, and the possible loss of Generalised Scheme of

Preferences (GSP) tariff concessions has been cause for real anxiety. The export promotion tax concessions revealed in the budget include incentives for Singapore companies opening sales offices overseas and attend-

ing international trade fairs. They are obvious attempts to deal with the export challenge. But since the new tax measures clearly help foreign and local businessmen, they offer little direct benefit to medium and low wage earners. Personal income tax cuts for these groups are not in the budget. And to indicate where part of the revenue to make up for the new tax concessions will come from, hospital outpatient charges were raised three weeks after the budget was presented.

The tax measures, declared Ho See Beng a member of the People's Action Party at the parliamentary budget debate, are "aimed at making the rich richer and the poor poorer and negating the fundamental principle of socialism."

Shortly after the budget was unveiled, Hon Sui Sen, the Finance Minister announced that he was considering abolishing tax-free interest on accounts at the Government-operated Post Office Savings Bank. But it is generally believed that attractive bank deposits less attractive would divert more capital into local investments.

This flow would presumably be dominated by larger account holders, the majority of whom would be affected only in that they would lose an important tax benefit.

In another significant move, the Government earlier this year announced its decision to convert the State-run bus company, Singapore Bus Service, into a public company through a share issue in which subscribers would be permitted to use their Central Provident Fund (CPF) savings.

The CPF is a compulsory Government pension scheme and, until now, the use of savings has been restricted to the purchase of flats in public housing developments.

largest foreign investor in Singapore.

By attempting to stimulate local investment, which has declined from \$58m. in 1975 to \$17m. last year, the Government may be seeking to cushion itself against the prospect of future foreign investment difficulties.

The other major part of the economic development formula is that the volume of exports has grown rapidly. But the combined threat of protectionism, growing competition from such countries as South Korea and Taiwan, and the possible loss of Generalised Scheme of

## THE NIXON MEMOIRS

## Thin rewards for readers

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

WORDSWORTH ONCE described the art of poetry as "the creation of a new world out of old materials." It is a prescription that would not appear to have had any effect on Richard Nixon. He has been sitting, for the most part quietly, in his Californian fastness for nearly four years, reflecting on his presidency and the abrupt and emotional end to it.

Now he has produced his memoirs, and, on the basis of extracts which have been published in the Press this week, would appear to have turned the rare trick of making what might have been a fascinating but not unpoetic but downright mundane, as well as rather uninformative.

At least this is the impression that is gleaned from the public reaction to the former President's recollections. Preceded by the inevitable media promotion, and with the appetite for Watergate rehashed by the public, the memoirs are a disappointing book by his former chief of staff, H. R. Haldeman, an air of expectancy awaited the moment when Richard Nixon told all. It was a mood similar to that evident in advance of his televised interviews with David Frost last year.

Those sessions were not entirely barren as Mr. Frost drew some blood from the Nixonian stone. But the printed version seems to be going down with a dull thud. The newspapers which had purchased serialisation rights are still bravely putting the story on front pages, but by the fifth instalment, at the bottom rather than the top. Those who did not are relying on the most cursory summaries.

And in Washington itself, which normally thrives on minute examination of such documents, there is clearly greater interest in the performance of the local basketball team in its quest for the championship.

In part, of course, this reflects disappointment at the fact that Nixon has not confessed and admitted Watergate. But it also reflects disappointment that the former President, in discussing both Watergate and the momentous foreign policy initiatives he has not confessed and admitted Watergate. But it also reflects disappointment that the former President, in discussing both Watergate and the momentous foreign policy initiatives he

incidents with which he was intimately associated almost as Watergate affair was essentially though he were not a participant, a public relations problem. He From a commercial standpoint, the memoirs will probably be a success: the former Mr. Haldeman days after the President is understood to have received advance payments of not order destruction of the well over \$1m. for the book, and tapes because he thought they this will undoubtedly be re-might serve as an insurance

couped by its sales (the cheapest volume to sell for \$19.95, a copy well above the norm), the most expensive, leather-bound and signed, for \$250) and 18 months of his presidency was a both of paranoia and mutual suspicion, but others have done that before.

His momentous sessions with Mao Tse-tung and President Brezhnev similarly fail to come to life and there appears to be minimal discussion of the conspiracy seeking to deny royalty payment to Mr. Haldeman for his book—but this has not stopped it rising to the top of the non-fiction best sellers list.

Although some bookshop chains and book clubs are not promoting Mr. Nixon's memoirs as heavily as they might, nobody seriously disputes that the volume will be profitable for all concerned.

But the pickings for the reader, it appears, will be thin. In the extracts released this week, the former President gives

policy for himself should some day be used against him, as John Dean, his legal counsel, had done. He reinforces the view that the White House in the last 18 months of his presidency was a both of paranoia and mutual suspicion, but others have done that before.

His momentous sessions with Mao Tse-tung and President Brezhnev similarly fail to come to life and there appears to be minimal discussion of the conspiracy seeking to deny royalty payment to Mr. Haldeman for his book—but this has not stopped it rising to the top of the non-fiction best sellers list.

Although some bookshop chains and book clubs are not promoting Mr. Nixon's memoirs as heavily as they might, nobody seriously disputes that the volume will be profitable for all concerned.

But the pickings for the reader, it appears, will be thin. In the extracts released this week, the former President gives

## NY aid plan clears hurdle in Congress

By John Wyles

NEW YORK, May 4.

THE CARTER Administration's plan for rescuing New York City from bankruptcy has cleared its first major Congressional hurdle and won a 324-8 vote of approval from the House Banking Committee.

The proposal for giving New York \$2bn. of federal loan guarantees for 15 years had been expected to win the support of the House Committee but the majority was larger than expected.

The real obstacle to congressional approval for the federal aid plan remains Senator William Proxmire, Democratic chairman of the Senate Banking Committee. Both Senator Proxmire and the Committee's senior Republican, Senator Edward Brooke, are publicly unconvinced of the need for giving New York a continuing federal prop.

## Tentative SALT accord on missiles reported

BY OUR OWN CORRESPONDENT WASHINGTON, May 4.

THE U.S. and the Soviet Union were reported today to have reached a tentative compromise which would limit both sides to a ceiling of 2,250 missiles and bombers until 1985.

The New York Times reported today that the U.S. had indicated it was prepared to accept this ceiling—which is substantially higher than that originally proposed last year by President Carter—on condition that the Soviet Union would agree to a sub-ceiling of 1,300 on the number of missiles equipped with multiple warheads (MIRVs). The newspaper said that Moscow was ready to enter into a pact along these lines.

If verified, the outstanding differences in the strategic arms limitations talks (SALT) would be appreciably reduced by this settlement. Still to be reached are agreements on the use of the Soviet Backfire bomber and on the modernisation of existing missile forces.

The 2,250 ceiling would require the Soviet Union to retire some of its current bomber and to be unduly optimistic.

## U.S. COMPANY NEWS

LTV big first quarter loss: General Dynamics ahead; Heinz in agreed bid for Weight Watchers International—Page 31

Financial Times, published daily except Sundays and public holidays. Subscription price: £150 net per annum. Second class postage paid at New York, N.Y.



## WORLD TRADE NEWS

### Foreign car sales fall in U.S.

By John Wyles

NEW YORK, May 4. SALES OF imported cars in the U.S. appear to have been hit in April by price increases forced this year by the decline of the dollar in foreign exchange markets.

Last month's fall in imported car sales from 206,000 a year ago to 179,500 was the first time imports fell below their year earlier volume since August, 1976. Of the top four importers—Toyota, Datsun, Honda and Volkswagen—only Honda was able to increase sales.

The significance of the fall is highlighted by the fact that total April car sales were the highest monthly aggregate since the boom year of 1973. A 9.2 per cent. increase in home-produced car sales helped to return a seasonally adjusted annual rate of sales of 12.5m. compared to 11.8m. last month and 11.6m. a year ago.

The sales survey reflects a post-winter recovery from the November-February period, when deliveries from dealers fell by 300,000 on the comparable period the year before. However, few analysts are revising upward their projections of a year-end total of between 10.7m.-11m. because it suspected that the latest figures point to a substantial "borrow" from future sales.

Consumer confidence surveys indicate that many purchases are being made in anticipation of future price increases stemming from the U.S. inflation rate, which the Carter Administration says is running at an underlying 6.7 per cent.

U.S. manufacturers are none the less drawing considerable satisfaction from the April sales, achieved on a 25-day selling period compared with 26 days last year. Imports market share fell to 17.8 per cent. from 17.9 per cent. in March, while each of the four domestic producers increased sales.

As a group they sold 862,940 cars, compared to 821,989 a year ago. General Motors sales were up 9.6 per cent., Ford 4.6 per cent., Chrysler 17.8 per cent., and American Motors 11.7 per cent.

Details are not available yet, but principal sales gains are likely to have been registered by the medium and small cars, which will benefit from the increasing cost of import models.

General Motors (GM) is being investigated by the Justice Department for possible criminal violations of Environmental Protection Agency (EPA) procedures. The EPA has been investigating whether cars submitted by GM for testing for pollution standards were specially selected or purpose-built. GM has filed a suit against the EPA challenging its right to conduct spot tests on vehicles coming off assembly lines.

Chrysler is recalling 1.2m. of its Plymouth Volare and Dodge Aspen cars because of possible safety hazards, the fourth time in six months that the cars have been recalled for checks. Chrysler has also recalled two thirds of Omni and Horizon cars sold since their launch at the start of the year.

### Third world in components drive

Motor component manufacturers from the third world countries are stepping up their efforts to begin exporting to Europe. Among producers showing at the Sinter components exhibition at Geneva, which will run from May 23 to 26, are companies based in India, Morocco, Mexico, Tunisia, Turkey, Yugoslavia and Israel, our Motor industry correspondent writes.

The Sinter exhibition, now virtually established as the premier motor components show in Europe, will have 12,000 exhibitors.

### Mexico pulls out

Mexico has withdrawn from two minimum projects involving machinery and Venezuela. AP-DJ reports from Kingston, Jamaica, that, in serious financial difficulties, had invested nearly \$5m. in one project.

## Japan expected to supply China with TV tube plant

BY CHARLES SMITH

TOKYO, May 4.

JAPAN IS almost certain to supply China with a colour TV tube manufacturing plant as the second major project to be completed under the recently signed eight-year trade agreement between the two countries.

This became clear today when Hitachi, one of three potential suppliers of the plant, revealed that it had been conducting talks with China. Two other Japanese companies, Matsushita Electric and Toshiba, are also competing for the project but China is said not to be looking at proposals from Europe or the U.S.

The decision to concentrate on Japan is described as a "political" one arising out of the fact that the eight-year trade agreement between the two countries creates a framework within which Japanese sales of industrial plants can be financed out of the proceeds of Chinese exports of raw materials.

The Chinese TV tube plant would have a capacity of 600,000 tubes per year, according to news agency reports on which Hitachi would not comment. It would cost about ¥130bn. (\$132m.) and China seems to be in a hurry for work to start as soon as possible. If work begins this summer, the plant could probably go into production in 1980.

The Chinese plant will produce PAL system tubes of the kind used for TV broadcasting in the U.K. and West Germany (and adopted by China for its domestic broadcasting system). Hitachi

says that the export of the plant would be covered by its basic licence with AEG Telefunken for the use of PAL technology. Licensing problems could arise, however, if China planned to export TV sets containing PAL system tubes.

Hitachi and Toshiba are Japan's two top tube manufacturers of TV tubes with Hitachi's output estimated at some 4m. tubes per year and Toshiba's somewhat higher. Both companies sell tubes to other TV manufacturers, unlike Matsushita whose production is geared entirely to its requirements.

Neither Hitachi nor any other manufacturer seems prepared to discuss details of its negotiations with China at present but it is understood that the plan will be built on a turn-key basis and that the contract will be awarded to one of the three competing companies, not to a consortium.

News of the TV tube project follows confirmation that Nippon Steel and other Japanese steel manufacturers will be involved with a Chinese plan to build an integrated steel plant on a waterfront site near Shanghai. Apart from these two major projects China is known to be planning to buy a series of other plants from Japan.

Contacts have been made between Brazilian and Chinese officials and Companhia Vale do Rio Doce (CVRD), Brazil's state-run mining conglomerate. Chinese are said to be interested in the iron ore deal will succeed. Part of the ore would go to the new Shanghai steel works, being built under Nippon Steel supervision, and part to the An-Chan works.

China expects Brazil to buy oil, fertilisers, chemicals and pharmaceutical products and

especially coal from Fun-Chum, which the Chinese plan to extract at 100m. tonnes a year. China is seen as an essential outlet for Brazilian pig iron. The industry has a 2.7m. tonne annual capacity and a surplus of more than 1m. tonnes this year because of the EEC's 300,000 tonne quota.

A four-member trade team representing leading engineering companies here left for China to attend the Canton Trade Fair, our New Delhi correspondent writes.

The team will also transact business in areas where the Chinese indicated interest during their visit to the second Indian Engineering Trade Fair last February.

### Brazilians to offer iron ore

BY DIANA SMITH

RIO DE JANEIRO, May 4.

A HIGH-LEVEL Brazilian trade mission will soon leave for China, offering a package that includes 10m. tonnes of iron ore, eventually rising to 30m. tonnes, 500,000 tonnes a year of pig iron, sugar, soy and manufactured products.

Contacts have been made between Brazilian and Chinese officials and Companhia Vale do Rio Doce (CVRD), Brazil's state-run mining conglomerate. Chinese are said to be interested in the iron ore deal will succeed. Part of the ore would go to the new Shanghai steel works, being built under Nippon Steel supervision, and part to the An-Chan works.

China expects Brazil to buy oil, fertilisers, chemicals and pharmaceutical products and

especially coal from Fun-Chum, which the Chinese plan to extract at 100m. tonnes a year. China is seen as an essential outlet for Brazilian pig iron. The industry has a 2.7m. tonne annual capacity and a surplus of more than 1m. tonnes this year because of the EEC's 300,000 tonne quota.

A four-member trade team representing leading engineering companies here left for China to attend the Canton Trade Fair, our New Delhi correspondent writes.

The team will also transact business in areas where the Chinese indicated interest during their visit to the second Indian Engineering Trade Fair last February.

### UNCTAD urges action to curb multinationals

GENEVA, May 4.

A REPORT by the United Nations Conference on Trade and Development (UNCTAD) calls for action to limit what it called restrictive business practices by multinational companies aimed at controlling marketing and distribution.

The report, by the UNCTAD Secretariat published here, says the devices used by multinationals ranged from price fixing to total control of trade channels.

The secretariat proposes action by industrialised and developing countries to monitor prices, deals, takeovers, cartels and market sharing arrangements by multinational corporations. It adds: "The

"action needs to be taken to limit the ways in which patents and trademarks may be used for regulating imports and exports and so isolating markets and maintaining high prices."

The report, said the grip of multinational companies on world marketing and distribution channels had an even greater impact on third world economies than their much criticised investment and production policies.

It suggests that developing countries could set up their own import and export trading houses and establish direct marketing outlets in principal foreign markets.

### More U.K. exports using foreign-currency invoices

FINANCIAL TIMES REPORTER

BY MAY last year the proportion of United Kingdom exports invoiced in foreign currency had risen to 30 per cent. of the total, in value terms, from 27 per cent. some six months earlier, according to a random survey of export shipments conducted by the Department of Industry.

The rise was mainly due to an increase of invoicing in United States dollars, which accounted for 14 per cent. of the total compared with 12 per cent. six months earlier and 8 per cent. in April, 1976. Some 45 per cent. of total U.K. exports to North America were invoiced in dollars, a slight drop on six months earlier, when the proportion was 49 per cent., but considerably higher than the 30 per cent. a year earlier.

As much as 18 per cent. of total exports to the EEC and 22 per cent. of exports to the rest of Western Europe were financed in dollars and 26 per cent. of exports to Japan, confirming the widespread use of the U.S. dollar as an invoicing currency.

The increasing tendency to invoice exports to the EEC and

other West European markets in currencies other than sterling—either in dollars or the buyer's own currency—is also borne out by the survey. Foreign currency financing accounted for 37 per cent. and 33 per cent. respectively of total U.K. exports to those markets, compared with 31 per cent. and 19 per cent. respectively six months earlier and 21 per cent. and 16 per cent. in April 1976.

The survey also indicates that foreign currency invoicing is more widespread among large exporters (exporting over £25m.) accounting for 40 per cent. of total exports, and for the bigger transactions (£250,000 and over) where 45 per cent. of the total were invoiced in foreign currency.

The survey includes a breakdown by commodity grouping, showing that foreign currency invoicing is used most widely for exports of fuels and basic materials (58 per cent.), chemicals (48 per cent.) and metals and metal products (41 per cent.), but points out that that may mainly reflect the market pattern of exports.

### Japanese chartered ships plan

Japanese shipping lines may import about 40 ships worth an estimated \$800m. under the emergency import programme adopted by the Government last month to cut Japan's trade surplus, the Japan Shipowners Association told Reuters in Tokyo.

The programme enables the Government to lend dollars from its external reserves to the lines for importing. "Shikumen" ships—vessels built and chartered to them by their owners' subsidiaries or affiliates, it said. This allows them to borrow dollars through the Export-Import Bank of Japan at 5 to 6 per cent. per annum for ten years to import the ships, for which they are paying charterages based on interest rates of about 10 per cent., the association added.

### Trilateral meeting over Siberian gas

Japan, the Soviet Union and the United States are to meet in Tokyo on May 24 to 27 to complete plans for a \$4.1bn. East Siberia natural gas development project, AP-DJ reports from Tokyo.

Japan and the United States would each receive an estimated 10bn. cubic metres of natural gas a year for 25 years, starting in 1983, from reserves near Yakutsk.

### Petrochemical plan

Japan and Singapore are determined to launch their petrochemical project as planned on an island off Singapore despite doubts over the economic viability of the joint venture, according to Toshio Konoto, Japanese Minister of International Trade and Industry, Reuters reports from Singapore.

### Molins machine sale

Molins, the international precision engineering company, has won an order for cigarette filter machinery worth about £1.25m. from Japan.

## Signs of a business upturn in Dubai

BY CELIA MAY

HERE IS a feeling of cautious optimism in Dubai that the economic tide may have turned for the better of the past 12 months. Bankers say they detect increasing business activity while at Port Rashid, where in a record number of containers was handled, could herald upturn in trade.

Last year businessmen in the emirate, accustomed for the past two years to a fast economic growth rate that seemed destined to continue for ever, had a shock when the boom in property ended and the United Arab Emirates Currency Board, which in fact as lender of last resort, allowed the closure of banks which were most over-indebted in property loans—the main Arab Bank and the Lifa Bank.

The technique of credit control with uncertainties over ending by the UAE federal government, which is playing an increasingly important economic role in Dubai as more and more the emirate's own income (the emirate is thought to amount to \$1bn. a year) is absorbed by payments for projects already in the way, in debt servicing and recovery expenditure.

As business slowed down, many small companies which had relied on the boom continuing bought huge stocks on credit and then found themselves unable to meet obligations to their bankers. The price of many commodities

plummeted because of glut conditions. A number of smaller companies went bankrupt, and many speculators had their fingers burnt.

The decline in the value of the dollar added to the problems of some companies, especially those which, like the importers of Japanese cars, were also affected by the rise in the yen. Japanese car dealers have had the dilemma of deciding whether to keep prices competitive but suffer smaller profits, or raise prices and sell fewer cars.

Yet even though last year is regarded as, at best, a year of consolidation, Dubai's imports still increased by nearly a third over those of the previous year, reaching about \$3bn. Britain's sales of £284.5m. was second to Japan among the emirate's leading suppliers.

The current upturn in business probably stems in part from the effect of federal government expenditure in the emirate, following the resolution last summer of differences between the emirates over the federal budget. This year's federal budget has not yet been published. The Currency Board has issued, since credit restrictions, also eased to lead to the injection of \$70m. into the UAE economy.

But though construction cranes are active in Dubai and there is a healthy bustle among the shows lining the Creek which are engaged in the transshipment trade, few business-

men here expect the boom conditions of the first three years after the 1973-74 oil price rise to return.

Much of the basic infrastructure of the emirate was built in that period and the two major construction projects in Dubai are nearing completion. The dry dock, which will be capable of taking tankers of up to 1m. tons dwt. (of which none has been built), is nearing completion, as is the extension of Port Rashid to provide an extra 22 berths.

However, development is proceeding 17 miles down the coast at Jebel Ali where a port and industrial complex is now in its second year of construction. It is still said officially that the port will have 74 berths, though it appears increasingly likely that this figure will be reduced.

The plan for an airport there has been quietly dropped. Dubai's aluminium smelter, LPG plant and aluminium extrusion plant are under construction there, and the emirate is looking to these to supplement its revenue from oil and its well established entrepot trade with Iran, Saudi Arabia and the Indian subcontinent, on which it built its fortunes before oil was discovered.

One illustration of the optimism of local businessmen is the fact that a new English language newspaper has just opened here and another is expected to follow within a few months. Some people have pointed out that this seems to be repeating the pattern

of duplication of good ideas. For the consumer, however, duplication makes life much better. The hotel building boom over the past three years has ended the previous critical shortage of hotel rooms and it is now easy to get a reservation. In the past three months the 368-room Hilton has opened in Dubai, and in nearby Sharjah a 115-room Holiday Inn and a 250-room Meridien have opened. Another example of duplication is the fact that four football stadiums are being built or are about to open in Dubai.

International companies are still moving into Dubai, often to use it as a base for operations in the Middle East or the Gulf. Good communications and an open attitude to business make it a suitable choice. But overheads are still high. Despite a good supply of property, rents for expatriate homes have not fallen significantly (except in Sharjah, where the number of empty buildings has almost halved the air of a ghost town). It still costs about £17,000 to rent an unfurnished villa in the fashionable Dubai district of Jumeirah.

However, with the departure of so many construction workers at the end of their contracts, rents may start to fall at the lower end of the market. The decline in construction employment has had one striking effect: for the first time in years Dubai is reporting more departures than arrivals.

# Business lacking sting?

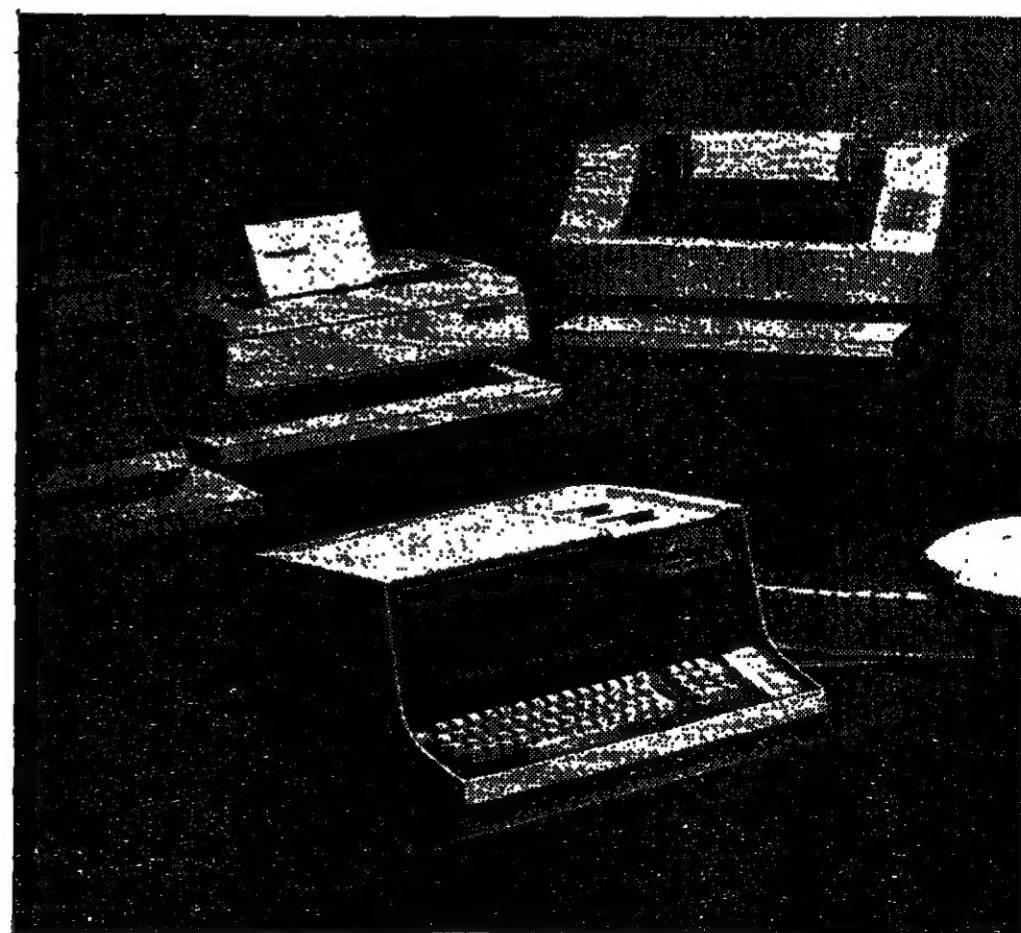


Put a bit of sting back into your business. With Datapak-B, the commercial computer system specially designed by Ventek.

Datapak-B offers a comprehensive set of computer programs forming an integrated accounting system that can be implemented as it stands—to carry out Order Processing/Sales Accounting/Stock Recording, Purchase/Nominal Ledger, and Payroll etc.—or tailored to include specially required features.

Datapak-B is based on the famous Datapoint systems already supplied to companies like yours throughout the world, including eight out of the top ten U.K. companies.

So put a bit of sting back into your business. For all the facts ring Malcolm Hammond on 01-903 6261 (or complete the coupon below).



With exceptional equipment like this, you'll soon find business buzzing again.

Ventek Limited, Marketing Support Dept., 17th Floor, Station House, Harrow Road, Wembley, Middlesex. HA9 6ER.

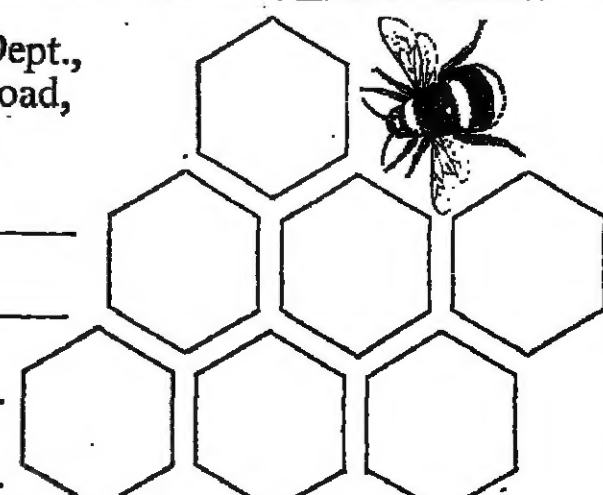
Name \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Position \_\_\_\_\_

Tel.No. \_\_\_\_\_



**datapak-B**  
by **ventek**  
A TRW AFFILIATE COMPANY



## HOME NEWS

# Alfred Herbert £1.2m. sale probe

By John Brennan,  
Property Correspondent

LAWYERS REPRESENTING Alfred Herbert, the State-owned machine-tool group, are investigating the events surrounding last year's £1.2m. sale and lease-back of its Coventry offices, Draywood House.

The investigation is mentioned in the statement by Sir John Buckley, chairman, with Herbert's annual accounts, published yesterday. It includes a warning about possible future reductions in the work force.

Sir John writes of Draywood House that "it came to light shortly after the acquisition that an intermediary had made a significant profit."

"Preliminary investigations in July and August 1977 indicated that a fuller and detailed investigation was necessary into the whole of the circumstances surrounding the acquisition; this investigation has necessarily taken some time and is still in progress."

In July last year Herbert bought Draywood House from Sherwood Securities for £1.2m. and resold it at a profit of £1m. to South Yorkshire County Council.

The investigation concerns the initial purchase, which was through an intermediary company, not Sherwood directly.

The intermediary, Kingsbridge Advances, is believed to have made a £225,000 profit on its section of the deal.

Sir John said yesterday that Herbert's lawyers, Pinsent and Co. of Birmingham, had been asked to investigate as the Board was "anxious not to take up too much time on this irritating side-issue."

## Hopes brighten slightly for Wheal Jane

By Phil Cheswright

THE PROSPECTS for averting the rapid closure of the Wheal Jane tin mine in Cornwall brightened slightly yesterday when it became known that the immediate threat of flooding had receded.

The mine becomes liable to flooding if the pumps at the neighbouring Mount Wellington mine stop working. It was the intention of Cornwall Tin and Mining, the owner, to stop the pumps this morning, but it has agreed to delay while the government continues talks with Consolidated Gold Fields, the owners of Wheal Jane.

Gold Fields said last week that Wheal Jane would be closed because of an earlier decision to shut Mount Wellington. Water from Mount Wellington would seep through to the Wheal Jane workings in quantities the existing pumps could not handle.

More than 300 jobs were lost at Mount Wellington. A further 400 will be lost if Wheal Jane closes. The unemployment rate in the area is already 11 per cent. Mount Wellington is in a financial position to keep its pumps working for the sake of a neighbouring mine and it needs a decision about the future of Wheal Jane by the end of office hours today.

# Enterprise Board supports Rolls engine for Boeings

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE National Enterprise Board, which owns Rolls-Royce on behalf of the Government, has approved Rolls' long-term development plan and supports the development of the new 535 version of the RB-211 engine for use in the proposed new family of Boeing jets. It was disclosed yesterday by Sir Leslie Murphy, chairman, when he presented the Board's reports and accounts in London.

Sir Leslie said that, while the Enterprise Board did not want to see Rolls-Royce tied exclusively to either a U.S. or a European market, it nevertheless felt that collaboration with the U.S. on a new short-to-medium range jet could lead to four times as many jobs in Britain's aerospace industry as the Boeing 737.

Rolls-Royce is already working with Boeing to get the 535 designated as the "lead engine" in the Boeing 737 programme. It could also be used in another of Boeing's new jets, the 777. Another version of the RB-211, the Dash 23, could be used in Boeing's third new jet, the twin-engine 200-seat 767.

British Airways has expressed interest in the 737, with the 535 engine, and is regarded by Boeing as a possible "launching customer" for the aircraft. Boeing has offered the U.K. aerospace industry participation in the design, development and manufacture of the 737 up to about 40 per cent of the aircraft, or more, depending on negotiation.

Mr. E. H. Bouillon, president of Boeing's Commercial Airplane Company, is visiting Britain soon to discuss his proposals with Mr. Eric Varley, Industry Secretary.

While Sir Leslie was bullish yesterday about collaboration with the U.S., he did not close the door entirely on Europe. He felt that the U.S. ventures offered big opportunities for British industry that rarely occurred, but they did not have to be mutually exclusive with the programmes now being mooted on the Continent.

One of the European projects under study is the Airbus Industrie 200-seat B-10 version of the A-300 Airbus. Another is the proposed Joint European Transport (or JET) in various versions from 130 to 163 seats. No decisions on these have been taken.

Other engines believed to be in the long-term Rolls-Royce development plan are the RB-401, an engine of about 5,500 lb thrust for small executive jets and similar aircraft and the RB-432 of about 15,000 lb thrust that would be a replacement for the ageing Spey engine.



Courtesy of Rolls-Royce

## Appeal starts on right note

The National Westminster Bank's jazz band yesterday helped launch an appeal for the benefit of mental health. Sir Peter Vannock, Lord Mayor of London, has chosen the cause as his appeal for 1978 and it is hoped to raise £25m.

The money will extend the work of two leading charities, The Mental Health Foundation and MIND, the National Association for Mental Health.

The Lord Mayor opened the campaign as president at the Mansion House in the City of London. Already over £250,000 has been promised for the appeal, which will take the form of approaches to industry and commerce and a flag day will be held next Tuesday.

National Westminster is meeting the costs of the appeal, and the bank's band—pictured with Mr. Robin Leigh-Pemberton, appeal committee chairman—has made a record to raise funds.

## Merrett to manage Sasse

BY JOHN MOORE

MANAGEMENT of Mr. Frederick Sasse's syndicates is to be taken over by Merrett Dixey Syndicates, one of the largest underwriting agents at Lloyd's.

Under this arrangement, the troubled Sasse syndicate number 782, which was suspended in December when it became clear that a Brazilian reinsurance group was not prepared to settle claims made on it by Sasse, will be managed by one of the most respected teams at Lloyd's.

Lloyd's said yesterday that terms had been agreed for the purchase of Sasse Turnbull and Company, the underwriting management agency business of Mr. Sasse, and "the arrangement has been approved by the Committee of Lloyd's."

"Mr. Sasse will continue to exercise his underwriting authority under the agency of Merrett Dixey and, in addition, will act as consultant to Merrett Dixey on agency matters."

Mr. Sasse's consultancy services will relate only to the affairs of the syndicates which he has managed in the past. In addition to syndicate number 782, Merrett will be acquiring syndicate numbers 562, 759 and 881.

Mr. Stephen Merrett, of Merrett Dixey, said that a price had not been determined for the purchase "since the three-year Lloyd's account prevents us from arriving at a valuation." He explained that the purchase does not affect the suspension of syndicate 782. The idea was approved by the committee of Lloyd's at Wednesday's meeting and the agreement was signed by Sasse and Merrett yesterday.

Mr. Sasse approached Merrett Dixey a month ago at the invitation of the committee of Lloyd's. However, since then Mr. Sasse had been trying to arrange an alternative deal which involved another influential managing agent, who rescued another Lloyd's syndicate (number 158) three years ago. This proposal was rejected by the committee of Lloyd's at Wednesday's meeting.

Merrett Dixey has not taken over the liabilities of the members of the Sasse syndicates. Only management services are provided.

## Roads move could end Liverpool land blight

By Rhys David

LARGE AREAS of land encircling the centre of Liverpool are likely to be freed from planning blight as a result of a decision by the Government to back revised road plans put forward by the Merseyside County Council.

The new scheme for an inner ring road replaces a much more grandiose plan put forward 12 years ago which had the effect of preventing development over an area of nearly 300 acres.

The old scheme, for which Parliamentary powers were obtained by Liverpool Corporation, would have involved an elevated road which, with slip roads at junctions, would have been 14 lanes wide in places.

Uncertainty caused by this scheme—now recognised as an area of scale with the needs of the area—has been blamed for driving small businesses away from the city centre and making it much more difficult to attract new enterprises.

The Government is to give £150,000 towards the £200,000 estimated design costs in 1978-79 of a much smaller scheme based on dual, two-lane carriage-way roads with simpler and less expensive junctions.

A substantial proportion of the total cost of the project has also been promised.

Announcing the decision, Mr. William Rodgers, Transport Secretary, said that when plans were finalised, the county would be able to release land acquired for the original scheme but now blighted, and this would help increase opportunities for development.

The Government's support for the ring road is one of a number of new projects announced for Merseyside after the visit last week of a deputation from the city to see the Prime Minister. The visit was intended to discuss the social and economic problems of the area.

The Department of the Environment has said that it is willing to consider requests by Liverpool for further resources for its public housing programme possible were rather uncertain. The council would spend up to the limit of its present allocation.

# Amoco group in participation agreement

BY RAY DAFTER, ENERGY CORRESPONDENT

AMOCO EXPLORATION group's hopes for new North Sea licences were raised yesterday after signing a State participation deal with the Energy Department and British National Oil Corporation.

The group was left out of the fifth round of licences last year because of Amoco's reluctance to sign an outline participation agreement.

After months of negotiations, however, Amoco and its two private-interest partners—Amerasia Hess and Texas Eastern—have finally accepted participation terms.

They are among the last companies with commercial North Sea interests to sign such a deal. Fifty-nine companies have now signed full participation agreements giving the State an option to buy up to 51 per cent of their crude production.

In the case of the Amoco group, however, the State oil corporation will have the right to buy up to only 32 per cent of the oil production. This is because the group already has a State-owned partner in British Gas.

The deal signed yesterday relates principally to the Montrose Field, a medium-sized field with an estimated 150m. barrels of recoverable reserves. Peak production of about 50,000 barrels a day is expected to be reached later this year.

Interests in Montrose, which lies in blocks 22/17 and 22/18, are: Amoco (30.77 per cent); British Gas (30.77 per cent); Amerasia Hess (23.08 per cent); and Texas Eastern (15.38 per cent).

British National Oil has now gained an effective voice and specific voting rights in the Montrose operating group. Although it will buy up to 32 per cent of the field's output at market price, it will sell back a certain proportion of this to Amoco to protect the latter's U.K. refinery interests.

Amoco, on the other hand, has accepted State participation in all of its other commercial interests (including probably the North West Hutton, and Hutton discoveries) granted under pre-1975 round licences.

Amoco, which is expected to bid for new licences in the sixth round later this year, said last night that negotiations had been carried through amicably.

product planning and engineering for the restructured British Leyland's cars division were also announced yesterday.

Mr. Alan Edis, 38, will be business and product planning director of Jaguar-Rover team which built the Thames Foundry at Dagenham, and from 1966 to 1972 was manager of Ford's foundry engineering in Europe.

His new job will mean directing operations of Leyland's West Yorkshire Foundries, Wellington, and Beams Foundries, which makes both iron and aluminium castings for the motor and other industries.

Mr. Edis will also involve introducing a number of new projects, despite a cut in Leyland's foundry spending from £10m. to £4m.

Some of the top jobs in product planning and engineering for the restructured British Leyland's cars division were also announced yesterday.

Mr. W. H. Rate, the society's chairman, has written to investors and borrowers expressing his regret over the "worry and hardship."

The Grays has still not reopened its doors and proposals are in hand to transfer its business to the nearby Woolwich Building Society.

A support operation involving all members of the Building Societies Association is under way.

It was hoped within the next three weeks to be able to call an annual meeting for June at which the transfer would be recommended, Mr. Rate said.

Members would then become members of the Woolwich and have access to their funds. Borrowers have been asked to keep paying off their mortgages.

Domestic users consume just over a quarter of the country's total energy used and about 50 per cent of electricity used.

At least 60 per cent of a household's total fuel bill is estimated to go on space heating and 80 per cent on space and water heating together.

In general, consumers underestimated the cost of space heating and overestimated the cost of running appliances.

A scheme of energy labelling such as was recommended by the European Commission could encourage manufacturers to consider energy consumption more carefully in the design of appliances.

Energy Efficiency Labelling, Free from Department of Energy, Thames House, South Millbank, London. SW1P 4JQ.

THE RUTLAND SALVER, made of gold 12 inches in diameter, and depicting the arms of the Dukes of Rutland surrounded by those of 18 Irish towns, sold for £80,000 plus the 10 per cent buyer's premium at Sotheby's yesterday.

The salver is one of only three works of art in gold by Paul Storr, the leading Georgian silversmith. It was made in 1801, probably from gold melted down from snuff boxes presented to the fourth Duke of Rutland when he was Lord-Lieutenant of Ireland. It was bought yesterday by S. H. Harris, the London dealer.

The silver salver brought in £238,852, with only 6 per cent unsold. A George II coffee pot by Paul de Lamerie went for £11,000; a pair of George IV wine-coolers by Paul Storr for £10,000; a set of three George III tea caddies by George Methuen for £5,000; and four George II table candlesticks by Thomas Gilpin for £4,200.

In Zurich on Wednesday Sotheby Parke Bernet held a jewellery sale which totalled £3.8m. Diamonds were in particular demand. A diamond ring with a stone weighing 15 carats sold for £223,000 (£410,000), which works out at £27,350 a carat, making it the second highest price per carat at auction for a white diamond. A diamond necklace made by Tiffany went for £188,444, and a diamond ring with a stone of 13.30 carats for £91,866.

Christie's, South Kensington, sold a fine collection of fans gathered by Mrs. George Baldwin of Milwaukee. It brought in £34,428, £10,000 more than the estimate.

A record price for a European fan of £2,800 was paid for a French fan of around 1850. A masquerade fan made in England about 1740 for the Spanish market realised £2,100. The Victorian and Albert Museum bought five lots for £3,330.

Continental buyers, particularly Belgian and Dutch, were out in force yesterday for Christie's sale of English and Continental oak, which realised £77,549. The sale was noteworthy for 43 lots sold by the Earl of Scarborough and removed from Lumley Castle, Co. Durham.

From that total of £23,830 came the day's top lot, £4,400, which the Dutch dealer Peter de Witte paid for a Dutch oak cabinet of the 17th century.

# Societies discount 'house price explosion'

By Michael Cassell,  
Building Correspondent

THE BUILDING societies yesterday attacked what they described as "alarmist" reports of sharply rising house prices.

According to the Building Societies Association, house prices in the first three months of 1978 rose "fairly substantially," although not as dramatically as reports suggested.

Individual cases of substantial price rises had been seen as typical, the association claimed, and had tended to distort the real situation.

The association's comments, made in the latest issue of its quarterly bulletin, contain no direct references to the cut in mortgage lending imposed by the Government when it became concerned over rising house price trends.

On the evidence of figures available, prices in general in the first quarter of this year were about 3 per cent higher than in the last three months of 1977.

In February, new house prices were over 15 per cent higher than a year earlier while the average for all types of property had risen by a little over 8 per cent.

Record lending The rate of house price increases was accelerating, but it could not, the societies emphasised, be termed an "explosion."

The association disputes that there has been a reduced supply of houses on the market, pointing out that societies have been lending at record levels.

Demand had simply outstripped supply so that the houses available had been sold more quickly.

Nor had first-time buyers been priced out of the market. Prices were rising because so many first-time purchasers were seeking to enter the owner-occupied sector.

Figures from the Abbey National Building Society—the country's second largest—showed yesterday that average house prices rose by 2.5 per cent in the first quarter, only half the rate suggested a few weeks ago by the Nationwide.

New house prices in the first quarter were nearly 5 per cent, up on the previous three months and 19 per cent, up on a year ago, the Abbey says.

## Plans approved for Cambridge Circus site

By John Brennan,  
Property Correspondent

NINETEEN YEARS after the first plans were drawn for the reconstruction of Cambridge Circus in London's West End, Camden Council has given the green light to a £14m. office, shop and housing scheme on the 1.74 acre site.

The Greater London Council, Camden Council and the Department of the Environment have now agreed to revised plans for the redevelopment of the site by Town and City Properties and its co-developer, the privately owned National Freehold and Leasehold Property.

Initial proposals put in 1959 involved a 22-storey 326,000 square foot office block on the site. Two decades of planning attrition have cut the scheme to 17,500 square feet of offices, 15,450 square feet of shops, showrooms and restaurants, and 68 houses and flats for Camden.

Buildings forming Cambridge Circus itself, and stretching into parts of Charing Cross Road and Shaftesbury Avenue, including the Phoenix Theatre, will be preserved.

New office buildings facing Charing Cross Road are to be restricted to seven storeys. Those facing Shaftesbury Avenue will be ten storeys high, but they will be stepped back at the fifth floor to give a pyramid effect.

Under the new scheme, which is unlikely to be completed before the early 1980s, parts of New Compton Street will be closed and Stacey Street will be realigned.

Ulster resists call to raise gas prices

By Our Belfast Correspondent

MUNICIPAL GAS undertakings in Ulster are expected to refuse to increase prices by as much as 10 per cent, as a condition of a Government offer of £3m. aid to reduce their debt.

Belfast Council is already being advised by its Gas Committee not to charge a higher rate until the Government takes up its mind on demands for natural gas to be piped from Scotland.

The Northern Ireland Gas Employers' Association said that to raise gas prices already nearly three times higher than in Britain would sharply reduce the 174,000 consumers.

**BANCA POPOLARE DI NOVARA**

Established 1871

The most significant items in the Balance Sheet at 31st December 1977 are:

	Line	US\$		Line	US\$
	millions	thousands		millions	thousands
ASSETS			LIABILITIES		
Cash and Banks	742,852	852,303	Capital	6,853	7,863
Special Deposits with the Issuing Bank	718,850	824,642	Reserves and Funds	170,862	196,055
Investments	1,657,840	1,902,283	Deposit and Current Accounts	5,011,423	5,750,342
Loans and Discounts	1,941,361	2,127,609	Creditors for Bills for Collection	126,151	144,752
Real Estate, Equipment, etc.	791,317	61,835	Other Liabilities	662,179	759,815
Bills for Collection	180,233	206,928	Net Profit	10,390	11,922
Other Assets	675,403	774,989	Contra Accounts	3,901,183	4,476,400
Contra Accounts	3,901,183	4,476,400			
Total	9,889,041	11,347,149	Total	9,889,041	11,347,149

The dollar conversion has been made at the rate of £1 = \$2.7750

London Representative Office

299 Salisbury House, Finsbury Circus, London EC2M 5QQ

Telephone: 01-628 0237.8 Telex: 887239 NOVBA G

هكذا منة الأمل



## HOME NEWS

# British Rail surplus rises by £21.7m.

BY IAN HARGREAVES AND PAUL TAYLOR

BRITISH RAIL, buoyed by a 3 per cent. increase in passenger traffic and a stronger performance from its freight business and most of its subsidiary activities, increased its operating surplus by £24.7m. to £21.7m. last year.

After interest and other charges, the surplus was £27m., against £5.3m. in 1976. This is after taking into account grants of £36m. from central and local government for uncommercial passenger services. These grants totalled £32.4m. in 1976.

Mr. Peter Parker, the railways chairman, warns in his annual report published yesterday that the present frozen level of capital spending is laying up problems for British Rail in the future.

Investment requirements would peak in the mid-1980s, reflecting heavy capital spending in the late 1980s and early 1990s. A 30 per cent. increase in the annual investment budget between 1981 and 1991 would be necessary to deal with the problem. Over 75 per cent. of the railways' 10,600 diesel and electric multiple unit trains are over 18 years old.

Mr. Parker describes 1977, his first full year as chairman, as "a year of advance."

### Steel recession

Rail freight reduced its deficit from £27.5m. in 1976 to £5.5m. and would probably have broken even but for the steel recession. Passenger business in the latter City trains was up by 8 per cent., giving an average increase for the network of just under 3 per cent.

The shipping interests moved from a £2m. loss to a record operating profit, although Hovercraft, hit by the accident to the new N500 craft, plunged to a £0.8m. loss.

Hotels, property and engineering all did better.

Manpower was reduced during the year by 4,456 to 178,200, less than half the 8,000 jobs-a-year reduction proposed in a five-year plan two years ago.

The report blames this slowdown on a tight incomes policy restricting productivity deals and on the general unemployment picture.

On fares, the Board's policy remains the maximisation of passenger miles within the present grants and cash limits by marketing cheap tickets for off-peak services to special groups.

### Fares problem

Fares were last increased in January and appear unlikely to increase again this year.

The problem of how to avoid fare increases above the average for London and South East

## Quarter of haulage companies make loss

FINANCIAL TIMES REPORTER

A QUARTER of all road haulage companies are losing money and profitability is still falling, according to a survey by the survey from Jordon Dataquest reports that 24.3 per cent. of companies questioned lost money in 1977 compared with 22.8 per cent. for the previous year and 18.2 per cent. in 1974. The loss makers include some of the public sector subsidiaries of the National Freight Corporation. The survey compares the performance of the public sector with the 10 largest private companies and concludes that the average profit margin in the latter was 8.3 per cent. on total sales of £82.8m.

This compares with a 9 per cent. average loss for the 12 NFC subsidiaries on a total sales turnover of £125.2m.

In the five years to 1976, total road haulage tonnage decreased by 7 per cent., while rail freight tonnage remained static. Haulage by the public corporation increased during the period and accounted for 52.6 per cent. of total road tonnage in 1976 compared with 50.4 per cent. in 1972.

Road haulage survey, Jordon Dataquest, £33 from Jordon House, 17, Brunel Place, London, N.1.

## Textile 'Neddy' sought

A STRONGER emphasis on the positive achievements of the Lancashire textile industry was expected by Mr. Derek Nightingale, newly elected president of the British Textile Employers Association, yesterday.

The industry is also seeking authority for the creation of a "little Neddy" or alternatively a "sector working party," in co-operation with the unions.

Describing the last three years as the most depressing period since the second world war for the textile industry, Mr. Nightingale said recent months had brought "many encouraging

## Assurance on Kepone

BY SUE CAMERON

MR. PETER SHORE, Environment Secretary, yesterday tried to allay fears about the disposal in the U.K. of Kepone, a highly toxic pesticide.

Allied Chemicals, a U.S. company, wants to send 60 tons of Kepone pesticide to the Ponty-le-Chem International's Ponty-le-Chem plant in Wales, where it would be broken down into safe component parts.

Re-Chem, a U.K. concern, has its headquarters in Southampton, and Mr. Bryan Gould, MP for Southampton Test, wrote to the Environment Secretary after reports that the chemical might be destroyed in his constituency at Fawley.

The use of Kepone, banned in both the U.S. and the U.K., has been found to cause tremors and sterility among those working with it. There is some evidence that it might cause cancer.

Mr. Shore has written to Mr. Gould saying that the Health and Safety Executive has already prohibited the destruction of Kepone in the U.K. and assuring that the ban will not be lifted "until and unless a safe method of working has been fully established."

## London hotels full

LONDON'S HOTELS are full this week-end. The capital's tourist Board is advising travellers to postpone plans for visiting the city unless they have confirmed hotel reservations. It said last night "if people arrive, we will do our best to find them rooms outside London."

The position results from demand from conference delegates, Agitation week-end tourists from Europe and football fans crowding into London for tomorrow's Cup Final.

## TV rentals to be probed

BY JOHN LLOYD

TELEVISION rental charges, and the price of toothpaste, are to be examined by the Price Commission. Mr. Roy Hattersley, the Prices Commissioner, said yesterday.

The Commission is also examining books, footwear, road haulage, cab services and the recommended retail prices in bedding.

The 121 Consumer Advice Centres in the U.K. will receive 100 per cent. grants from the Government until March 31 at a cost of £3.75m.

## Shipping division profit is £5.1m.

By Lynton McLain, Industrial Staff

Overall freight and parcels loss fell by £5.2m. to £5.1m. The total volume of Railfreight traffic fell by 6m. tonnes to 170m. tonnes but gross revenue rose by £41m. to £348m.

Speedlink, BR's highspeed wagon service started last year, operated 29 daily services carrying more than 2m. tonnes of which 25 per cent. was new business. Exports handled by Speedlink increased by 24 per cent.

The parcels business continued to be a net drain on the freight sector in spite of exceptional growth in the Red Star sector which increased its volume by 9 per cent. to 4.5m. packages.

Total parcels revenue was up 12 per cent. to £110m. It is understood the net loss was about £10m., half the 1976 figure.

British Rail Engineering: Turnover increased by £26.5m. to £258m., resulting in an operating surplus of £0.56m. (£0.35m. in 1976).

Record orders worth £46m. were received from outside customers including £2m. in exports. Total order books at the end of the year were £58m.

Transmark: Transmark, the railway consultancy company increased its gross income by £0.2m. to £2.8m. and had a net profit after tax of £28,000.

Hotels: British Transport Hotels doubled its net profit to £1.53m. while turnover rose 22 per cent. to £29.9m.

## LAND PIPELINE LINK WITH DURHAM

# Frigg gas to cost more

BY KEVIN DONE, CHEMICALS CORRESPONDENT

BRITISH GAS is to lay a new trunk pipeline to the north of England from its St. Fergus terminal near Peterhead, north of Aberdeen to cope with fresh gas supplies.

The Corporation warns that the cost of supplies will rise appreciably with the start of production from the northern fields.

Mr. Geoff Roberts, Board member responsible for production and supply, commented: "I think we must expect to have to pay more because the gas is going to cost more to win. I would like to think gas might get cheaper, but it is no good being foolishly optimistic. It won't."

The first supplies of northern North Sea gas are coming from the Frigg field, developed at a cost of £2bn. Although North Sea gas prices are a commercial secret, it is understood that Frigg supplies are costing British Gas three or four times the amount being paid for gas from fields in the southern sector of the North Sea.

The proposed new landward pipeline, the fourth from St. Fergus, will initially carry supplies from the Frigg field.

### Flexibility

The new line will run to a junction point at Bishop Auckland, Co. Durham, and should be built between 1980 and 1982. The route has yet to be decided.

Gas flow from the northern North Sea fields will reach its peak when Shell/Esso's Brent field comes on stream in the early 1980s.

A 42 inch diameter land pipeline to add flexibility to the national gas network in preference to boosting compression on the existing three pipelines.

Gas started flowing last September from the Anglo-Norwegian Frigg field, developed by a consortium headed by the French oil companies Elf Aquitaine and Total.

It is one of the world's largest offshore gas fields so far developed. It will be adding more than 30 per cent. to Britain's present supplies, with 1,500m. cu. ft. of gas a day (43m. cu. metres) flowing ashore, when peak production is reached in October 1979.

When Brent comes on stream in the early 1980s, it will bring a further 500m. cubic feet a day (14m. cubic metres) to supplies flowing through St. Fergus.

Together, the Frigg and Brent fields will boost British Gas supplies by as much as 50 per cent.

The Frigg field is to be inaugurated on Monday by King Olav of Norway. This will be followed by the official opening of the £100m. St. Fergus terminal—developed by Total Oil Marine and British Gas—by the Queen and the Duke of Edinburgh on Tuesday.

The offshore development of the Frigg field has cost some £2bn. Onshore, £500m. has been invested in gas reception and treatment terminals, compression facilities and pipelines.

## Platform tow starts

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE £200m. Ninian Central oil platform last night began its tow around the north of Scotland from the coast of Skye to the field north-east of Shetland, after a series of delays because of fears about the weather.

Chevron Petroleum, operator on the Ninian field, and Howard Doria, which built the 600,000-ton concrete structure, gave the order to divers to cut the anchor chains yesterday morning.

Ocean-going tugs then took up the strain. This was done in spite of a thick mist shrouding the platform.

Forecasts indicated that when the platform with its eight legs reaches shallow waters at the mouth of the Minch, the critical point in its journey, the weather would be good.

That point should be reached some time this morning. The 430-mile voyage is expected to take 10-12 days.

The structure will then be ballasted so that it sinks to the seabed, and work will begin to fill any spaces beneath it with concrete and hook up equipment carried in the 22 modules.

The Woolworth stores which are selling cameras and films already will guarantee the quality of the prints.

They will also provide the new print-from-print colour service, as well as processing transparencies and black-and-white film. Accessories will be on offer.

## Woolworth attacks £140m. film developing market

Financial Times Reporter

F. W. WOOLWORTH is launching a film processing service in selected stores in a bid to break into the £140m. film development market.

The move comes after nine months of successful test marketing and two years after Woolworth first began selling cameras and other photographic equipment.

Starting this month, 150 branches will develop and print a popular 20-exposure colour film for £3.75, the same price charged by Boots and Dixons Photographic.

The Woolworth stores which are selling cameras and films already will guarantee the quality of the prints.

They will also provide the new print-from-print colour service, as well as processing transparencies and black-and-white film. Accessories will be on offer.

## Race inquiry

THE COMMISSION for Racial Equality is to conduct an investigation into the National Bus Company. Mr. William Rodgers, Transport Secretary, said in a Commons written reply. This was not in response to complaints, but part of a long-term strategy of inquiry into the transport industries announced last October.

# GAS GETS ON WITH IT-



# WORKING FOR A BETTER BRITAIN.

## ACHIEVEMENT

Putting Britain's natural gas to work for the nation has been a truly outstanding achievement.

It has involved building a complete new natural gas industry—with on-shore terminals, compressor stations, over 3000 miles of new underground transmission pipelines and major extensions to the gas distribution network.

It has also involved the conversion of over 35 million appliances to burn the new fuel.

All this has been achieved on time and on budget and the entire cost—some £2000 million—has been met from the industry's own resources.

## REWARD

As a result, gas already provides a quarter of all the heat our industries need and almost half of all our domestic heating requirements—and there's more to come.

So Britain will continue to reap the benefits of natural gas far into the future.

That's what we mean when we say that Gas Gets On With It. And that's what we mean by working for a better Britain.



BRITISH GAS



## LABOUR NEWS

## Union rejects near 10% pay offer to building workers

By Nick Garnett, Labour Staff

A PROPOSED pay settlement for 700,000 construction workers has been rejected by the Transport and General Workers' Union.

The union's negotiators had recommended acceptance of the offer, which is claimed by the employers' side to be worth fractionally less than 10 per cent. on earnings.

Construction union officials say it is unlikely that the deal will now be accepted unless an improved offer is made, but the employers said at the last negotiating session that further improvements would not be offered.

The transport union's national construction committee has already sanctioned industrial action, including one-day stoppages on construction sites, if the employers' final offer proves unacceptable.

Negotiators for the four construction unions agreed last month to recommend acceptance of the proposed deal. Officials of the General and Municipal Workers' Union subsequently overturned that decision after studying the offer in more detail.

Mr. George Henderson, national construction officer for the transport workers which, along with the Union of Construction, Allied Trades and Technicians is the largest union in the industry, said yesterday that almost all the union's regions had now rejected the deal.

The unions are meeting to-day to discuss the position. Mr. Frank Earl, the General and Municipal's national construction officer, will attempt to show the offer is worth a maximum of 8 per cent. on earnings instead of the employers' claim that it is only just short of 10 per cent.

The transport union's joint national crafts and construction committee is meeting next week to formalise its position.

## Oil rig recognition poll

By Our Labour Staff

THE FIRST union recognition agreement on a North Sea oil platform will be signed after a ballot among white collar staff on the Occidental platform in the Piper field.

The ballot covered 70 technicians, operators, storekeepers and clerks. More than three-quarters of the 52 who returned ballot papers voted in favour of union recognition.

The Association of Scientific, Technical and Managerial Staffs is expected to be the largest union although there will probably be a joint union agreement involving the Amalgamated Union of Engineering Workers and the Electrical and Plumbing Trades Union.

Occidental has already told the unions that it will be prepared to sign a union recognition agreement if the ballot was broadly in favour.

## Shun profit-sharing schemes, says GMWU

By Pauline Clark, Labour Staff

EMPLOYERS who see financial and industrial relations benefits in profit-sharing handouts to workers on the basis outlined by Marks and Spencer this week could face mounting opposition from trade unionists.

The General and Municipal Workers' Union, Britain's third largest union, with a toehold in almost every major sector of industry, has issued a strong warning to its local negotiators against such schemes almost simultaneously with the Marks and Spencer announcement.

Until now, the TUC and individual unions have adopted a notably aloof stand on profit-sharing, notwithstanding the recent publicity on the subject prompted by the publication of the Finance Bill last month.

But the GMWU predicts that new tax concessions to encourage profit-sharing are likely to lead to such schemes becoming more widespread.

In a directive which gives perhaps the first clear glimpse of trade union thinking on the issue, members are warned against being fooled into such schemes as a substitute for the transfer of power to the workers.

It reminds them that shareholdings given to employees are invariably insignificant and warn them that workers should be paid for their labour rather than invest part of their potential earnings in their company.

As to the pitfalls where negotiators are having to consider individual profit-sharing schemes, the union gives a warning against marked bias in favour of staff and higher-paid employees and of the danger of workers being penalised for wage increases won through established negotiating procedures.

Although companies are expected to prefer to pay bonuses through shares because this places no strain on cash resources, the union urges employees to insist on cash which they are free to spend as they like.

The TUC has cold-shouldered the shares schemes because it believes employees should not be expected to be constrained by profit performance before

## Engineers' Right wing presses policy control

By Christian Tyler in Worthing

RIGHT-WINGERS in the engineering union expect to reassert their control of policy to-day when a decision is taken on the next wage claim to be pursued for 11m. workers in the private sector.

Building on the unexpected decision of the Amalgamated Union of Engineering Workers' engineering section, on Wednesday, to seek £100 a week for Government employees, the Left is trying to spread that demand across the whole union.

The Right is facing resolutions at the section's national committee meeting here, asking for the minimum rate of skilled engineering worker to be raised from £80 to £100 a week from next spring.

It will be counting on the support of the volatile North-east delegates to command a 29-23 majority to defeat the Left. The Tynesiders are proposing a claim of £70 a week, and phased reduction in the working week.

No vote has yet been taken on the pay debate which began last night, but Mr. John Boyd, Right-wing General Secretary, appealed for moderation. He told the committee that in its own national agreement the union could not afford to be extravagant and flamboyant in its demands.

That would lose the support of the membership, he claimed. It was only in industries where the AUEW was not the majority union that such demands could be afforded.

He was replying to Mr. Jimmy Reid from Clydebank, who said the committee should not sub-

## Civil servants urge end to pay policy

By Philip Bassett, Labour Staff

BRITAIN'S largest Civil Service union will be "absolutely and overwhelmingly" opposed to any fourth round of pay restraint.

Mr. Ken Thomas, general secretary of the Civil and Public Services Association, said yesterday.

He was convinced that substantial increases in Civil Service pay were due next year.

He gave warning to the Government that if it wants to keep Civil Service expenditure down next year the only way is to impose a statutory incomes policy. We are not going to be singled out for special treatment.

Next week's conference of the association, representing 190,000 members in mainly clerical grades, will consider many pay motions, the overwhelming number of them calling for opposition to any further stage of pay policy and for abandonment of the Pay Research Unit.

The unit, which is being brought back for Civil Service pay in 1978 after suspension under incomes policy, recommends levels of Civil Service pay after comparison with that in private industry.

Many of the motions call for withdrawal from the unit and for a special conference of the union each year to formulate its pay demands.

Government may have trouble with all the Civil Service unions in the next pay round on the issue of London weighting allowances.

A motion before the conference calls for an urgent review of the allowances and its removal from the national pay claim to be dealt with by separate negotiation.

## Union will consider scrapping post vote

By Nick Garnett, Labour Staff

A PROPOSAL to abolish postal voting in the election of the executive committee of the Association of Scientific, Technical and Managerial Staffs will be considered this month by the union's annual conference.

The proposal, which Mr. Clive Jenkins, the union's general secretary, said yesterday was basically sensible, has been drawn up by a rank-and-file working party.

After this year's conference the members will discuss the proposal further at branch level until next year's rules revision conference.

At present, ballots for the executive committee, which through the year translates conference decisions, take place at branch meetings. There is also a system of postal voting for members who cannot attend the meetings where the ballots are held.

The proposal would end the postal option. The proportion of voting for each candidate at the ballot meeting would be multiplied out to cover all the members of each individual branch.

Mr. Jenkins said that the proposal would help stimulate interest in the union at branch level, and lead to a more accurate reflection of the opinions of the membership. Only a tenth of the union's membership usually bothers to vote in the ballot.

ASTMS, one of the staunchest opponents of Britain's joining the EEC, is considering how to exert influence on the European Parliament in the event of direct elections. Proposals may include setting up of a full-time office in Brussels and sponsoring of ASTMS members as European MPs.

## Counsel walks out after 'personal attack' by Tether

COUNSEL for the Financial Times in an unfair dismissal claim hearing at a London Industrial Tribunal, walked out of the court yesterday as a result of remarks made by Mr. C. Gordon Tether, the newspaper's former Lombard columnist.

Mr. Thomas Morison told the tribunal members after an adjournment that he meant no discourtesy to them. He considered that remarks by Mr. Tether constituted a personal attack on him and he felt it better that he should not in any way be affected in the performance of his professional duty because of it.

Mr. Tether, who seeks reinstatement or compensation, was the Lombard columnist for 21 years. He was dismissed 19 months ago after a dispute about the control of Mr. Fredy Fisher, the editor, over his daily column.

Yesterday Mr. Tether protested about earlier comments by Mr. Morison that at times during cross-examination he had been unable to obtain a coherent or constructive answer to proper questions to such an extent that the cross-examination had been a travesty of justice.

Mr. Morison had also said that the Financial Times still did not fully appreciate Mr. Tether's case and for that reason was unable to test it properly by question and answer.

Mr. Tether told the tribunal that he was disappointed Mr. Morison should attack him "in such intemperate fashion." He wanted to make it clear that he considered this portrayal of his behaviour during cross-examination to be a "travesty of the truth."

There was nothing of more world-shattering importance than the freedom of the Press and a crucial part of that was the freedom of independent writers. If their work was to be mutilated and altered to accord with the wishes of their editor, then there was no freedom of the Press, Mr. Tether said.

Mr. Brian Dupe, the tribunal's trade union nominee member, asked why a very considerable issue involved, both on the freedom of a writer and his employment. But it decided essentially that it was too big for it to handle, and asked for the national disputes procedure to be invoked.

Mr. Dupe said that, as he saw it, the union championed the cause of C. Gordon Tether. It did not see it as an international, world-shattering journalistic dispute.

Mr. Tether replied that that was misrepresenting the facts of life. Many big issues had been raised through individual issues.

Mr. John Edwards, father of the Financial Times NUJ Chapel from 1974 to the beginning of 1978, was asked by Mr. Morison whether throughout his discussions with the editor on the dispute, Mr. Fisher had demonstrated any lack of good faith with Mr. Tether.

Mr. Edwards said that certainly there was a basic fundamental disagreement between the editor and Mr. Tether. The editor insisted that he was entitled to exercise his editorial prerogative.

Mr. Edwards agreed that it was not personal dislike of Mr. Tether that motivated Mr. Fisher's view, but his strongly held view as editor.

The hearing continues to-day.

His case had been set out clearly and it was disingenuous for a lawyer of Mr. Morison's distinction to say that he did not understand it. It was difficult to avoid the conclusion that it was because the Financial Times did understand his case that it had been adopting such an unreasonable attitude.

He had been doing his best to answer Mr. Morison's questions in a truthful and helpful way, notwithstanding the fact that Counsel's tone of voice throughout had been decidedly hostile.

After Mr. William Wells, QC, chairman, had ordered an adjournment, Mr. Morison returned and said that he had intended no discourtesy. It was a personal attack and he considered it better that he should not in any way be affected in the performance of his professional duty because of it.

His competence and integrity was not an issue before the tribunal and it would be improper

## Consultants to vote on pay deal

By David Churchill

BRITAIN'S 13,000 hospital consultants are to vote on whether to accept a new contract worked out after over a year of negotiations.

The consultants' leaders yesterday voted 452 in favour of recommending its acceptance.

But implementation of the contract will still be conditional on the Independent Review Body, which determines doctors' pay, putting a value on the contract acceptable to the consultants.

# British Railways Board "1977-A Year of Advance for British Rail"

Peter Parker, Chairman

Results year ended 31st December 1977.

Gross Income	Year 1977 £m	Year 1976 £m
Railways (incl. Government & other contract payments)	1,428.2	1,241.5
Rail Workshops - external sales	9.6	4.7
Ships & Harbours	131.2	101.3
Hovercraft	4.0	5.2
Hotels	24.9	24.5
Travellers-Fare	43.0	37.3
Property	29.0	25.2
Transmark	2.4	2.2
	1,677.8	1,441.9

## Major Achievements

Points from British Rail's Annual Report and Accounts for 1977.

**SURPLUS:** British Rail had an operating surplus before interest of £68.4m, compared with a surplus of £13.7m in 1976 - an improvement of £54.7m.

**THE CONTRACT:** In a year of general recession, the railway made significant advances and beat the contract price of £391m agreed with Government for providing passenger rail services by £27m.

**PASSENGERS:** More people travelled by train in 1977 with passenger volume up by 3 per cent over 1976.

**SAFETY:** For the second year running, in over 700 million passenger journeys, not a single passenger was killed in a train accident.

**INTER-CITY 125:** Train travel at 125mph became an everyday occurrence in Britain with 82 Inter-City 125 High Speed Trains every weekday between London, Bristol and South Wales.

**FREIGHT:** The loss to be met by grant in the freight and parcels businesses has been reduced from £27.5m in 1976 to £5.5m in 1977 and beat the limits set by Government by some £20m.

**MANPOWER:** Manpower on the railway was reduced by 4,456.

Operating Profit/(Loss)	Year 1977 £m	Year 1976 £m
Railways:		
Operating Result	30.9	(12.0)
Operational Property	13.7	12.1
Commercial Advertising	2.0	1.8
Travellers-Fare	(1.8)	(1.8)
Freightliners Ltd	0.3	0.3
	45.1	0.4
Rail Workshops - external sales	0.6	0.4
Ships & Harbours	9.2	(1.2)
Hovercraft	(0.6)	-
Hotels	1.5	0.7
Non-Operational Property	7.0	6.3
Transmark	0.3	0.2
Other Income (net)	5.3	6.9
<b>Surplus before Interest</b>	<b>68.4</b>	<b>13.7</b>
Taxation - Overseas	0.2	0.2
Interest & Other Financing Charges	38.5	43.4
<b>Result before extraordinary items</b>	<b>29.7</b>	<b>(29.9)</b>

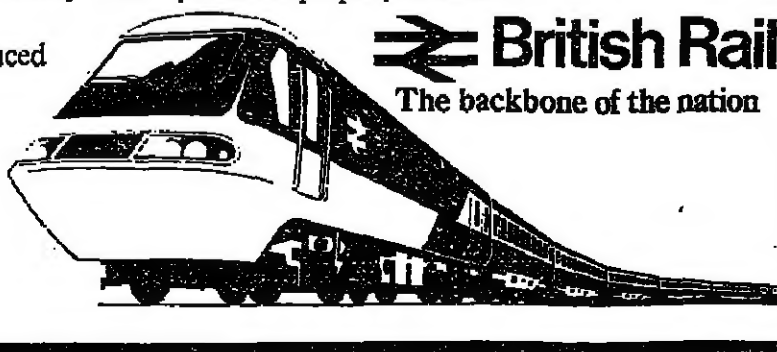
**EXPORTS:** British Rail Engineering Ltd won export orders worth nearly £42m.

**TRANSMARK:** The Board's consultancy subsidiary won a Queen's Award for Export Achievement following a six-fold increase in export earnings in the last three years.

**SHIPS AND HARBOURS:** Shipping Division had a record operating surplus of £9m, the combined ships and harbours results representing an improvement of £10m over 1976.

**HOTELS:** Net profit from the 29 British Transport Hotels doubled to £1.5m.

**PROPERTY:** Property Board targets were met with an increase in gross income from railway operational and non-operational property to £29.0m.



## EVERYTHING POINTS TO STRATHCLYDE AS A MANUFACTURING BASE FOR SCIENTIFIC INSTRUMENTS

Strathclyde is a first class base for the design and manufacture of scientific instruments. There are already a number of well-established companies in the region including major multi-nationals, manufacturing a diverse range of products from silicon chips to lasers.

There are good reasons for their expansion here. Proximity to the region's substantial electronics industry and some of the finest research establishments in the U.K. are just two. Of equal importance is the large throughput of highly qualified graduates from the universities and technical colleges in the region as well as a good supply of skilled labour suitable to the needs of the industry.

Financial incentives are good too. Strathclyde's special Development Area Status entitles incoming industry to maximum U.K. government assistance.

There is an ample supply of factories and sites and Strathclyde offers superb communications not only with the rest of the U.K. but also with North America and Europe. If you would like to know more about the advantages Strathclyde can offer, fill in the coupon below.

We've prepared a special report on 'The Scientific Instruments Industry' that will give you all the facts.

Name .....  
Position .....  
Company .....  
Address .....

**Strathclyde Industrial Development**

21 Bothwell Street, Glasgow G2 6NJ  
Telephone: 041-221 4296



# PARLIAMENT AND POLITICS

## Talks on increase in poll expenses

By Rupert Cornwell, Lobby Staff

THE GOVERNMENT is hoping for all-party agreement on legislation before the next general election to increase the amount of electoral expenses permitted every candidate who contests a Parliamentary seat.

The present allowance for a flat £1,075 plus an extra 6p for every six names on the electoral register in the case of "county" seats, and 6p per eight names for urban "borough" seats, has stood since 1974.

The sum covers what may be spent by each party for its candidate out of its own resources. For the average Westminster constituency of about 63,000 potential voters, this amounts to between £1,600 and £1,700. But it excludes concessions from the State such as free mailing facilities.

Although there is general agreement among political parties that the allowance should be stepped up to take account of four years of rapid inflation, talks are at an early stage and no consensus has emerged. One will be required quite soon if new arrangements are to be in force by October, considered the most likely poll date.

By contrast, there is little prospect of action to raise the size of the deposit put up by candidates fighting a seat—although Mr. Greville Janner, Labour MP for Leicester West, has brought forward his own Bill calling for an increase from £150, a figure unchanged since 1918, to £500.

There are widespread misgivings among Ministers, on the grounds that to triple the deposit would put severe financial pressure on smaller parties and would have dangerous democratic implications.

## MPs to get pay rise

By Philip Rawstorne

MPs WILL be given a pay rise next month, Mr. Michael Foot, Leader of the Commons, said yesterday.

The increase could be made under the 13-month rule in mid-June and the Government would bring forward proposals to deal with it, he told the Commons.

Mr. Bob Mellish, former Government Chief Whip, asking about the pay prospects, said: "We as MPs are always the very last in any pay survey."

Mr. Foot also confirmed yesterday the Government's commitment to introduce a Bill this session to improve MPs' pensions.

## Mason to meet three Ministers on Dublin visit

By Our Own Correspondent

DUBLIN, May 4.

MR. ROY MASON, Northern Ireland Secretary, is due here tomorrow for talks with the Irish foreign minister, Mr. Michael O'Kennedy, which, it is expected, will end the strained relations between Britain and the Republic.

But although the mood is likely to be better after the talks, fundamental differences still remain between the two Governments over Northern Ireland.

The Irish would have preferred more political dimension to talks than Mr. Mason is likely to concede. Apart from Mr. O'Kennedy, the Ulster secretary will also meet the Minister for Justice and the Minister for Economic Planning and Development.

## Clothing grant

THE GOVERNMENT has agreed to provide £400,000 over the next five years towards the initial costs of launching the clothing industry productivity resources Agency, Mr. Alan Williams, Industry Minister of state, announced in the Commons.

## Bank of Montreal

Bank of Montreal announced the appointment of J. Allison Horton to the position of senior Vice-President in charge of the Bank's Europe, Middle East and Africa division, resident in London.

Mr. Horton moves to London from Toronto where he was Senior Vice-President of Corporate Banking. His broad executive experience has included executive positions with the Bank of Montreal in Canada, the United States and the Caribbean area.

## New attempt for Rhodesia talks launched by Owen

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A NEW initiative aimed at settling up round-table talks involving all the parties to the Rhodesian dispute was announced in the Commons yesterday by Dr. David Owen, Foreign Secretary, opening a debate on Rhodesia.

He told MPs that it had been decided to send Mr. John Graham, Deputy Under-Secretary for African Affairs, to Africa to work with Mr. Stephen Low, U.S. ambassador to Zambia.

Mr. Graham will stay for as long as it is necessary to carry out the preparatory work for successful round-table talks, Dr. Owen said. He would operate from Lusaka and visit Salisbury if that was acceptable to Rhodesia.

The Foreign Secretary emphasised that all-embracing talks, including the leaders of the Patriotic Front, operating outside Rhodesia, were the only way forward to a negotiated settlement. He warned of the dangers of worse bloodshed and the possibility of Russian and Cuban involvement if peaceful negotiations should fail.



Mr. John Graham... "need for different approach." Dr. David Owen... "the only way forward."

But during a long and detailed speech, he was very cool towards the prospects of success for the internal initiative set up by Mr. Ian Smith and the three other African leaders, the Rev. Sithole, Bishop Muzorewa and Chief Chirau.

This brought a strong reaction from Mr. John Davies shadow Foreign Secretary, who castigated Dr. Owen's remarks as "negative and unhelpful."

There was also an angry reaction from Tory backbenchers when Dr. Owen announced that the Minister for Overseas Development (Mrs. Hart) is to make £238,000 aid available to those affected by the strife in Rhodesia.

The aid will be channelled through the organisation, Christian Care, and will assist detainees and relatives of those executed by the Rhodesian regime. The money will also help to rehabilitate ex-detainees and war victims in the area.

There were shouts of "shame" and "disgraceful" from the Tory benches, but Dr. Owen insisted: "I believe this is the right way for dealing with the very genuine

problem of humanitarian assistance."

Dr. Owen called on all parties to the dispute to put Zimbabwe first and examine the issues objectively. "I warn now that unless we do so, there is only one alternative—the continuation of a bloody war. The situation could worsen rapidly."

Britain and the U.S. would approach any discussions from principle but flexible, too.

Dr. Owen told the House that nothing had changed his contention that round-table talks were necessary to ensure a reasonable chance of success. He was determined to try and lay the necessary basis for agreement by careful and detailed preparation beforehand.

It would not be easy but the areas of agreement were sufficiently clear to have a reasonable chance of building on them. Provided all parties were ready to negotiate without preconditions, the talks could be successful.

The Patriotic Front, while reserving their negotiating position on some important points, had expressed readiness to attend. The parties in Salisbury also had reservations but he thought they would be ready to participate if they could be convinced of the value of the talks.

Dr. Owen said he shared the fears of Mr. Hove, the dismissed Minister of the Interim Government, who thought that Mr. Smith envisaged a situation in which the army, the judiciary, the police, the State apparatus

In their new mission, Mr. Graham and Mr. Low would travel extensively and keep in continuous contact with all the parties. Their task would be to work towards round-table talks at which the Foreign Secretary and Mr. Vane, the U.S. Secretary of State would be present with representatives of all the parties.

The aim was for this to take place at the earliest possible moment compatible with the emergence of sufficient common ground to give a reasonable chance of success.

Listing the detailed areas for negotiation, Dr. Owen said that law and order was the most sensitive issue and the ultimate responsibility for this should be an acceptable and neutral figure. The second major area was the defence and police forces. He thought there would be merit in discussing the possible mandate of a UN-Zimbabwe force with the parties in greater detail to try to reach a larger measure of agreement.

Dr. Owen said he shared the fears of Mr. Hove, the dismissed Minister of the Interim Government, who thought that Mr. Smith envisaged a situation in which the army, the judiciary, the police, the State apparatus

## Internal agreement drenched with icy water, says Davies

For the Opposition Mr. Davies said that Dr. Owen's speech was "a negative and unhelpful character" in terms of trying to get what they all sought so deeply. "He has continuously drenched with icy water all that has been achieved in these last two months by the internal agreement."

Mr. Davies said he understood there was a strong feeling from both sides in Rhodesia that Mr. Smith should stay within the framework of the Executive Council simply to bring about the passage to majority rule.

"Of course there is much to be done. Of course the question of the elimination of racial discrimination is essential. But, let me say, for a period of two months only, what has been done is no bad record—quite the contrary."

Mr. Davies said the Opposition understood the importance and supported every effort made to try to convince the Patriotic Front "to forswear the use of force and to return to the negotiating table in a peaceful mind."

But he warned against under-

mining the confidence of the Rhodesian people about the possibility of bringing to fruition what they had achieved with such difficulty.

It was no good imagining that by insisting on the support of the Patriotic Front, this would avoid the involvement eventually of the Soviet Union and Cubans.

"If the internal settlement were to fail, could the Foreign Secretary imagine the depths of bitterness and resentment which will exist, not just in the white community, but also in the black community?"

Mr. Davies said he had some misgivings about the Anglo-American principles. They had always had a fundamental weakness in that they did not provide the necessary assurance for reasonably-minded people on the security issue.

He had deep misgivings about the proposal for a general conference without preconditions. To have a conference where there were no basic elements of accord would introduce a simple display of confrontation and disagreement.

How can the parties to the Salisbury agreement throw that

agreement into the melting pot and simply admit they were starting again de novo? There should be every effort to move a negotiated settlement but that should start from the Salisbury agreement.

There was no reason why we should not move towards assisting in the formation of an electoral register.

Mr. Davies warned that the Conservatives might not support the renewal of sanctions in the autumn, although it would be counter-productive to lift them now.

If things moved forward, as he believed they should, towards a settlement, it would be difficult in seeking to continue to penalise a country which was within touching distance of majority rule.

Continuation of sanctions could prove catastrophic to the future of Rhodesia. "I do appeal to the Conservatives to change his approach to this problem and hold out a helping hand to these people who are sincerely seeking to move towards the new situation of majority rule and not visit them with the frozen mit."

He added to Conservative cheers.

## Labour MPs fail to win defence chief's sacking

BY RUPERT CORNWELL

DR. DAVID OWEN, Foreign Secretary, last night fended off renewed calls by Labour MPs for the sacking of Air Marshal Sir Neil Cameron, who created a diplomatic storm by referring to the Soviet Union at the weekend as the "common enemy" of the U.S. and China.

The demands came at a private meeting of the Parliamentary party shortly after the Chief of Defence Staff had arrived back in this country from his trip to Peking.

Dr. Owen reiterated that the Government did not intend

disciplinary action. "If we had thought that Sir Neil was making a deliberate attempt to contravene Government policy, action would have had to be taken. But the incident does not fall into that category."

Flanked by Mr. Fred Mulley, Defence Secretary, Dr. Owen stressed that the military in Britain was firmly under the control of the civilian Government. "There is no military finger on the nuclear trigger, either here or in the U.S.," he declared.

## Next week's business

COMMONS business next week is:

MONDAY: Finance Bill, committee.

TUESDAY: Wales Bill, third reading.

WEDNESDAY: Finance Bill, committee.

THURSDAY: Iron and Steel (Amendment) Bill, second reading; Co-operative Development Agency Bill, remaining stages.

FRIDAY: Private members' Bills. Lords debates are:

MONDAY: Debates on housing policy and on possible purchase of U.S. aircraft by British Airways.

TUESDAY: Scotland Bill, committee; Tuvalu Bill, second reading.

WEDNESDAY: Solomon Islands Bill, third reading; Scotland Bill, committee.

THURSDAY: Trustees' Savings Bank Bill, second reading; debates on enlargement of EEC and on North Sea oil licensing.

## Tax allowance 'apology'

LABOUR MP Mr. Frank Allaun (Salisbury E.) said yesterday that the Treasury might have to pay out several million pounds to industrial workers who had not received full, up-dated income tax allowances for tools and working clothes.

Mr. Allaun said he had received an apology from Mr. Robert Sheldon, Financial Secretary, who admitted there were cases where the full allowance had not been met.

This apology the MP claimed could affect "many thousands of the 8m. employees entitled to the allowances."

He had written to the Chancellor (Mr. Healey) on behalf of certain engineers who had not received the up-dated tax allowances. In one company in his constituency only five out of 40 skilled fitters and turners had received the full £48-a-year tax allowance.

## MP urges Lonrho takeover ban

LABOUR MP Mr. Deane Canada (Stirlingshire W.) called on the Government to ban the takeover of SUITS by Lonrho.

He said the takeover should not be allowed to go ahead while the Director of Public Prosecutions was still considering the activities of Lonrho in Africa

and the vice-chairman of SUITS was still to face criminal charges in the Scottish courts.

Mr. Michael Foot, Leader of the Commons, said he could not promise a debate on the issue but he undertook to consider the whole matter to see whether he should discuss it with the Minister concerned.

## European Bill awaits assent

THE European Assembly Elections Bill, already approved by the Commons, completed its passage through the Lords yesterday.

It now awaits Royal Assent. Britain's first Euro-poll—based on 81 U.K. constituencies—is expected to take place on June 7 next year.

## Tories find two-vote flaw in minorities' support for tax cut

BY RICHARD EVANS, LOBBY EDITOR

remained in the hands of white people.

The Foreign Secretary stressed that there would be major benefits from a UN peace-keeping presence. It was vital that none of the liberation fighters returning from neighbouring countries should threaten the stability of Rhodesia or attempt to reverse the result of free elections.

Another area to be clarified was the independence constitution. But he thought the best way might be to leave this for further discussion during the transitional period.

The grave danger that could face Rhodesia in the coming months was that the fighting would change into a genuine civil war between Nationalist leaders. There would then be a grave danger that the Patriotic Front would seek support, not just from African states but from countries outside Africa. Thus, the risks of failure to reach a negotiated settlement were "terrifying."

In these circumstances, Britain and the U.S. had to continue to seek an agreement which would permit elections under a measure of political agreement which would permit a genuine test of opinion of the people of Zimbabwe.

He thought, however, that for Britain to recognise the internal settlement "as some now irresponsibly urge" would be to go back on the fifth principle. How can it now be seriously argued that Britain should, in the midst of a major conflict which clearly demonstrates a divided nation, unilaterally and in direct contravention of the fifth principle, recognise the internal settlement and lift sanctions?

"It would be utterly wrong to do so. It would leave Britain with barely a friend in the world, discredited and despised," he declared.

ALTHOUGH the vote in the Commons next Monday on cutting the standard rate of income tax looks like being one of the closest of this Parliament, Conservative leaders are already preparing themselves for a narrow defeat.

A careful assessment by Conservative whips of all minority parties shows that the attempt to cut the standard rate by 1p to 33p could collapse because of the expected failure of two Northern Ireland MPs, Mr. Ian Paisley and Mr. John Dunlop, to vote with the Opposition.

The Government while increasingly confident of preventing a major setback to its Budget strategy, has decided that Mr. Denis Healey, Chancellor of the Exchequer, should open the debate in an attempt to ensure a maximum turnout in the Government lobby.

One of the major themes in the Chancellor's speech will be the damage that could be done by a Commons defeat, when a widely-held view in the City and elsewhere is that he went as far as he could in his Budget on the level of public-sector borrowing.

The vote on the standard rate reduction is expected at about 10 p.m. on Monday, but the other key division in which Tories and Liberals will oppose the Government, the reduction in higher tax bands, may be delayed until the Committee Stage debate next Wednesday.

The division on Monday still depends on the decision of the seven United Ulster Unionists, who will meet shortly before the vote. The assumption remains that they will abstain, leaving the Opposition parties just short of the Government total of 311.

## Peers give Assembly chance for tax powers

By Ivor Owen

THE GOVERNMENT suffered a one-vote defeat on the Scotland Bill in the Lords last night, when peers supported the case for granting the Scottish Assembly revenue-raising powers.

A new clause giving the assembly formal authorisation to submit an application for power to levy taxes to the Government was carried by 77 votes to 76.

The new clause also provides that such an application made by the assembly must be laid before both Houses of Parliament.

The Earl of Perth, who moved the new clause, stated: "The assembly should have minimal taxing powers if we can find a relatively harmless way of achieving this. The subordinate local authorities have a taxing power and unless the assembly has one we will be in an absurd situation."

Lord McCloskey, Solicitor-General for Scotland, told the House that the Government had not ruled out the possibility of giving the assembly some suitable tax-raising powers, but the right formula for doing this had yet to be found.

The Government suffered another defeat when, by a majority of four (51-47), peers approved an amendment preventing the Scottish Assembly passing its own separate laws to govern abortion.

The amendment was proposed by Lord Campbell of Crook for the Conservatives, with the backing of Lord Lovell-Davies, a Labour peer.

An attempt to pass a similar amendment when the Bill was going through the Commons had been defeated by a narrow margin of 17 votes. It is now expected that the Commons will find it difficult to reverse last night's Lords verdict.

In that case, it would mean that the Westminster Parliament would continue to control Scottish abortion laws.

## PM will not be drawn on Benn speech

BY IVOR OWEN, PARLIAMENTARY STAFF

TORY MPs failed in the Commons yesterday to entice the Prime Minister into commenting on a recent speech by Mr. Anthony Wedgwood Benn, Energy Secretary, advocating "workers' control" in industry.

Mr. Callaghan explained that as he had not seen the statement reported to have been made by Mr. Benn, he could not comment on it.

John Elliott, Industrial Editor, writes: The Government's White Paper on industrial democracy is expected to be published in the next two or three weeks. It received general approval from the Cabinet yesterday, subject to finalisation of some details.

This did not satisfy Mr. Michael Latham (C. Nelson) who referred to a report that Mr. Benn told the Institute that trade unionism was an essential part of the alternative strategy of workers' control.

Mr. Callaghan blandly replied that as he had not seen the statement reported to have been made by Mr. Benn, he could not comment on it.

John Elliott, Industrial Editor, writes: The Government's White Paper on industrial democracy is expected to be published in the next two or three weeks. It received general approval from the Cabinet yesterday, subject to finalisation of some details.

## Port of London Authority

Statement by the Chairman, Mr. J. G. Cuckney

This is my first Statement as Chairman of the PLA. When I succeeded Lord Aldington last October, I was pleased to be returning to the industry and I was soon to find out how much has happened in the industry in the last five years. In learning in particular about the PLA's business, it became apparent that we have reached a critical stage in the history of the port. Since my Statement, whilst reviewing last year's results, also deals with the current situation and our proposals for the future. I came to a PLA which has been trying hard over the years to counter the difficult downward spiral of high fixed costs and a diminishing level of general cargo trade. Although the fixed costs have been considerably reduced over the years by dock closures, by the disposal of surplus property and by severance of personnel, reductions have not kept pace with changing trade requirements.

Although the overall trade of the port increased in 1977 by 2.4 million tonnes and there was a net reduction in manpower, the PLA Group's loss for the year of almost £8 million was £1.25 million greater than 1976. The loss on continuing operations of £2.4 million was £0.7 million greater than in 1976. This was mainly due to a loss of conventional cargo over PLA quays and a reduction of some 140,000 tonnes of cargo handled by PLA stevedoring services which, in revenue earning terms, greatly outweighed increases in bulk grain, containers and river traffic. There are clear signs that the drop in conventional general cargo is linked, in part, with a further and accelerated shift to containerisation.

The increasing number of dock workers who are restricted on medical grounds from taking any part in cargo handling activities, coupled with a high incidence of sick absence, had a serious effect on our ability both to provide a regular service to major customers and to handle all the traffic on offer at peak times during the year. One reason for the increases in medically restricted categories is the high average age of the registered dock workers in London—currently 45 years. We had to bear costs totalling £11 million in 1977 in respect of the surplus of medically restricted dock workers to whom there was no work. This burden on PLA arises from the way in which the dock labour scheme is operated. During 1977 management were discussing with employees and their union representatives the need for urgent improvements in the organisation of work at quay level and for introducing changes to working practices with the object of reducing costs, improving efficiency and raising productivity, particularly of general conventional cargo operations. They have not been able to make the sort of progress towards implementing those changes that they and the Board would have wished, and which are essential to survival in view of the importance of these objectives to the future of the port. I am very concerned that there has been a failure to understand and respond to the fundamental objective of securing a future for PLA which these changes were designed to achieve. In order to help us in meeting our objective, a £15 million loan was arranged last year for the purpose of first financing severance of non-registered staff who are no longer required by the level and nature of our business and secondly the repayment of short-term debt. However, this loan does not help us to finance current operating losses.

As a result of the loss for the year PLA Group's reserves had fallen to £2 million by the end of 1977. Losses and costs have reduced our reserves by the staggering sum of £52 million since 1974. I cannot stress too much my concern over the truly alarming way our reserves have plummeted. We have nothing left from which to replenish them as our "bank" of surplus land has been largely disposed of and we now have little financial freedom of manoeuvre.

A major contributory factor to this situation has been the burden which PLA has been carrying of the costs of maintaining and using uneconomic facilities which in strict commercial operations should not have been continued and which our changing and financial structure cannot sustain. One consequence has been the low level of new investment which has taken place. Another has been the PLA's inability to achieve the efficiency and competitive edge which we need. These have

continued to erode both staff morale and customer confidence.

In the light of the critical situation the Board have been re-examining our strategies in the light of changing conditions and preparing a corporate plan setting achievable short and medium term objectives for the next five years and providing a framework for future decision-making. The continuing drain of loss-making operations on our resources has required us in this planning work to examine every single aspect of the PLA's activities.

In particular we are again reviewing the future of the Upper Docks, which are currently under-used; and forward forecasts of trade do not justify their retention for much longer. Most unfortunately, the basis on which the decision in 1976 to keep both Upper Docks open has not been fulfilled, namely that there would be improved working practices and consequently more trade. Working practices have not improved and as I have already said the failure by employees and their unions to understand and accept the need for the changes which management has been seeking has been profoundly disappointing. We have been unable to obtain more trade—due in part to the continuing and, in certain markets, accelerating movement into containers and the consequential reduction in the availability of conventional cargo.

The poor financial results for 1977 have continued into the early months of this year; during the first quarter the PLA continued to make losses, and this factor together with the low level of trade forecasts means that very drastic steps will have to be taken if PLA is to have a chance to recover. Discussions with the Department of Transport about possible solutions to the problems relating to the PLA's structure are in their initial stages and in due course it will be necessary for us to announce how we see the way forward for PLA.

Because of the current uncertainties the Auditors have considered it necessary to refer in their report to the fact that the Accounts have been prepared on a basis which is dependent on the successful conclusion of the discussions with the Department of Transport.

It is obvious that asset valuation in this situation poses difficult problems, as does the question of an adequate sum for provisions to take account of what might have to happen. No organisation likes to have their Accounts qualified in any way but there are occasions, and this is one, where the Auditors and the Board are faced with a difficult task in forecasting the financial implications of a restructuring operation which is so dependent on obtaining a constructive response from the many parties involved.

It is firmly my belief that a frank and honest approach is needed to tackle the port's many problems and it is only right that this should begin with our Accounts. I place the greatest importance on ensuring that employees are fully briefed on the matters on which progress is important. We shall, of course, implement our ultimate decision in ways that are compatible with our responsibilities as a public trust authority.

Despite the problems I have outlined, PLA has some notable successes—the new forms of handling (grain, containers and unit load traffic)—and there is clearly a basis to build for the future on the positive aspects of our business, but only if there is the will to adapt to change at a more rapid rate.

The Port of London also has many natural advantages, with London itself being a great capital and international centre, 30% of the UK's population live in the South East, and we have Continental Europe on our doorstep and the heavily industrialised South Midlands at the back door. We shall be able to exploit these advantages if we can carry out the very necessary fundamental restructuring of our business.

Finally, I would like to pay tribute to Lord Aldington's considerable achievements during his six year period of office. I am now only too aware of the size and complexity of the very difficult problems the Port of London Authority faces, so I can well appreciate what an arduous chairmanship he must have had. I would also like to say how grateful I am to him for providing the PLA with a foundation on which the essential further re-structuring can be based.

## Summary of Accounts for the year ended 31st December 1977

GROUP PROFIT AND LOSS ACCOUNT		1977	1976	GROUP BALANCE SHEET		1977	1976
		£m	£m			£m	£m
OPERATING REVENUE		71.5	67.1	EMPLOYMENT OF CAPITAL		92.6	96.3
OPERATING EXPENDITURE		68.0	63.2	NET FIXED ASSETS		10.2	9.9
OPERATING PROFIT		3.5	3.9	INVESTMENTS		102.8	106.2
Net Interest		5.9	5.6	NET CURRENT LIABILITIES		0.4	7.0
Taxation		—	—			102.4	99.2
LOSS FROM CONTINUING OPERATIONS		2.4	1.7	FINANCED BY			
NET COST OF RESTRUCTURING		5.6	5.0	PORT STOCK AND HARBOURS ACT LOANS		79.7	73.2
LOSS FOR THE YEAR		8.0	6.7	MEDIUM TERM LOAN		5.0	—
				RESERVES		2.0	10.3
				STOCK AND LOAN REDEMPTION FUND		10.3	9.8
				PORT MODERNISATION AND INVESTMENT GRANTS		5.5	5.9
						102.4	99.2

NET INCREASE IN LIQUID FUNDS 6.7 3.4

J. G. CUCKNEY Chairman J. D. PRESLAND Executive Vice-Chairman

The report of the auditors on the published accounts of the PLA is shown below—

REPORT OF THE AUDITORS TO THE PORT OF LONDON AUTHORITY

As auditors appointed under Section 59 of the Port of London Act 1968, we have examined the accounts (set out on pages 17 to 27), which have been prepared in accordance with the accounting policies set out in note 1 to the accounts.

The Chairman's Statement indicates that discussions, which are presently in their initial stages, are taking place between the Board and the Secretary of State for Transport on the future structure of the PLA.

The accounts have been prepared on the going concern basis, the validity of which is dependent on the successful conclusion of these discussions. In the absence of such a conclusion this basis would be invalid and provision would have to be made for any costs which would arise and for any diminution in the value of the assets.

In our opinion, subject to these discussions confirming the validity of the going concern basis, the accounts give a true and fair view of the state of affairs of the PLA and the Group at 31st December 1977 and of the loss and source and application of funds for the year ended on that date and comply with the Statutory Harbour Undertakings (Form Accounts, etc.) (General) Regulations 1969.

Deloitte Haskins & Sells, Chartered Accountants, London.

Published by the Port of London Authority under Section 8 (3) of the Port of London Act 1968. J. C. JENKINSON, Secretary, 5th May, 1978.

Copies of the Report and Accounts 1977 can be obtained from the External Affairs Department, Port of London Authority, World Trade Centre, E.C.1. Price £1.75.







APPOINTMENTS

## S. Parker joins Sketchley Board

Mr. Sidney Parker has been appointed to the Board of SKETCHLEY as a non-executive director. He is a member of the Thoro Electrical Industries Board and chairman of the Thoro Television Rental Division.

Mr. J. P. Donohue has been appointed a director of PORVAIR.

Mr. Peter V. Sherlock has been appointed director of marketing for HOBART UK.

Mr. R. D. Perring has been appointed a director of R. F. HARRISON, J. I. JACOBS (INSURANCE), and R. K. HARRISON (REINSURANCE BROKERS).

Mr. P. N. Darley has resigned from the Board of TOTOL and has left the group.

Following the acquisition of SECURITY TRUST COMPANY by Beneficial Corporation America, Sir Isaac Wolfson has resigned as a director. The following have been appointed directors: Mr. M. W. Caspersen, Mr. Richard A. Wagner, Mr. Edward A. Dunbar, Mr. John France, Mr. Roger Dixon, and Mr. Geoffrey J. Geary. Mr. Caspersen has become chairman of the Board. Mr. Peter Bance remains a director and has been made deputy chairman.

Mr. Kenneth G. Butcher has been appointed to the Board of ST. REGIS INTERNATIONAL.

Mr. R. Mellor has been appointed finance and administration director for HOPKINSONS.

Mr. S. C. Dowling has been appointed group managing director of WESTBICK PRODUCTS. He will relinquish his position as managing director of Backer Electrical Company and his other directorships at the end of this month.

Mr. M. C. Cottrell has been appointed a director of FRENCH KIER HOLDINGS. He is at present senior partner of Phillips and Drew, stockbrokers.

Mr. Michael R. Healey has joined SATRA MOTORS as managing director designate. He was previously with Mecca.

Mr. D. R. Caws and Mr. J. A. Moon have been appointed to the Board of FAIRDALE TEXTILES. Mr. Caws continues as merchandising director of the retail division of the group and Mr. Moore will retain his current responsibility for the sales of John R. Fairdale, a subsidiary.

Mr. A. S. Croxson has been appointed an assistant director of DUNBAR AND COMPANY.

Mr. P. H. Dunn has been appointed a director of the NATIONAL EMPLOYERS' MUTUAL GENERAL INSURANCE ASSOCIATION. He is chairman of Brown Shipley and Company as

well as holding other appointments in the City.

Mr. A. J. Beedell has retired from the Board of the CUMULUS INVESTMENT TRUST.

Mr. Geoffrey Parfitt has been appointed chairman of THURSTON PARFITT and to the main Board of the parent company, Greaves Bakeries. He has been succeeded as managing director of Thurston Parfitt by Mr. Brian Wildblood.

Mr. Colin Andrews has been appointed managing director of SWEDE-ATO UK.

Mr. K. F. Plant has been appointed to the Board of TOXIDE GROUP as finance director.

Mr. Frank A. Goerner has been appointed vice president of MONSANTO OIL COMPANY OF THE U.K. INC and resident manager of Monsanto's U.K. oil production and exploration based in London. He will replace Sir James E. Teddlie, who will return to the U.S. for a new assignment.

Mr. Goris Souander and Mr. Olo Wahlqvist have been appointed to the Board of FINE-BOARD in succession to Mr. Lennart Eriksson and Mr. Sten Ek, who have resigned.

Mr. D. R. Zeidler has been appointed a director of the BROKEN HILL PROPRIETARY COMPANY to fill a casual vacancy on the Board and he has also joined the Boards of a number of subsidiaries. Mr. Zeidler is chairman and joint managing director of ICI (Australia).

Mr. C. A. Bassell has been elected president for 1978-79 of the NATIONAL FEDERATION OF PAINTING and DECORATING CONTRACTORS in succession to Mr. F. C. Turner. Mr. A. R. L. Carr has become president for that period of the NATIONAL ASSOCIATION OF SCAFFOLDING CONTRACTORS in place of Mr. D. G. Flood.

The Home Secretary has appointed Mr. Ralph L. Hopps to be a part-time member of the EQUAL OPPORTUNITIES COMMISSION. Mr. Hopps is a member of the South East Regional Board of the National Westminster Bank.

Mr. Helmut Geiger, president of the German Savings Banks Association, has been elected president of the INTERNATIONAL SAVINGS BANKS INSTITUTE for three years.

Mr. W. J. Rinds has been elected chairman of the management committee of the NATIONAL MILK PUBLICITY COUNCIL succeeding Mr. Ben Davies. Mr. J. W. Edgess has been elected vice-chairman.

ENERGY REVIEW

# Hauling the NCB over the coals

BY JOHN LLOYD

THE NATIONAL Coal Board is bracing itself for a fight. At stake is the second of its two giant mining developments for the 1980s—the Vale of Belvoir coalfield in North Leicestershire. Its opponents are some of the people who live on top of it.

By the mid-1980s, the NCB plans to achieve 42m. tons of new capacity, some of it to replace exhausted workings, but most of it to help boost its deep-mine output up to a target of 120m. tons by 1985, from a present level of just over 104m. tons.

A significant share of that new capacity will come from the Selby field, planned to come on stream in 1982, producing 10m. tons a year. To carry on the momentum in the late 1980s, the Board is relying on Belvoir, which is planned to produce around 7m. tons a year.

Selby met some opposition, but the objectors were mainly concerned to ensure adequate environmental safeguards: most accepted the need for coal. The worrying factor, for the NCB, about the Belvoir objections is that, by and large, they do not accept such a need, and they are determined to challenge the Board's plans by arguing that the country doesn't need the coal at all.

Earlier this week, Mr. Donald Davies, the Board member for marketing who is in overall charge of the Belvoir development, said that he was going to put in the planning application in the next few weeks, nearly a year after the NCB's initial announcement of its plans for Belvoir. In the intervening period, Mr. Davies' officials have been looking for ways of meeting the objections and calming the fears of the local protestors. They are not certain what success they have had.

The problem has three sides to it, and the first two are not particular to Belvoir. The first, indeed, is not even particular to coal: the industry is merely yet another target in the firing line of the increasingly strong, if diffuse, environmental lobby.

There have been a number of minor skirmishes already, most of them concerned with applications for opencast developments. Anyone who lives near, or has seen, opencast working will readily appreciate why people might object to them. It is certainly true that the NCB is much better at disguising its sites than it used to be, but at the same time

people are now much more fussy than they used to be.

Thus the irony is that while the NCB opencast executive is winning golden opinions from all sorts of operators in other countries who are much less careful with their waste, the executive finds that almost every application for opencast development is contested, as in the case of proposals for open cast developments in South Wales, and the subsequent planning inquiry can delay the project for two years, or even result in an order from the Department of Energy to scale down the original plans.

Naturally, these delays and extra expenses are irksome to the Board, especially at a time when it is expanding its operations rapidly. However, they are generally confined to local grouches about dirt and "environmental pollution." And though such inquiries are chaired by an inspector from the Department of the Environment, recommendations go to the Secretary of State for Energy, who is one of the most enthusiastic supporters of growth in the coal mining industry. While Mr. Anthony Wedgwood Benn has modified some of the applications, there is little prospect that he would question the need for expansion itself.

But now, the second side of the problem comes into play, which seems certain to move the argument on to quite a different level. The kind of opposition which the NCB will meet in Belvoir will call into question the entire strategy of the Coal Board.

Leicestershire County Council, to which the planning application will be addressed, will almost certainly ask for a planning enquiry commission, a much more high-powered version of the simple planning enquiry, in which the purely local environmental issues will be subservient to arguments about the place of coal in the future economy of the country. Even if the Council does not get a commission, it expects the Environmental Secretary to upgrade the enquiry to the status achieved by the Windescale Enquiry, chaired by a senior judge and with the widest possible brief.

This tack is one which will catch the NCB on a temporarily weak point. For it is now going into a period where the greatly increased production which has



Part of the Vale of Belvoir—predominantly an agricultural area. The entire strategy of coal mine expansion is being called into question by opponents of the NCB's Belvoir scheme.

resulted from the productivity scheme's acceptance in all the country's coalfields means that there is likely to be more coal than there are markets in the near future.

Briefly, the reasons for the probable glut are the greatly reduced coal and coke requirements of the U.K. steel industry (down 3m. tons in the past two years), together with only a little growth in the domestic and general industrial markets. And while the Central Electricity Generating Board has increased its use of coal by some 3m. to 4m. tons for this year, it will almost certainly drop back to its normal level of around 70m. tons for some years thereafter. Much hope is being placed on the possibility of increased trade within the EEC—but that will only come off if the Council of Ministers agrees to a package of subsidies, which is by no means certain.

The NCB believes that these poor prospects are short-run only. Officials admit that the "Plan for Coal" adopted in 1974 after the Arab oil producers quadrupled their prices, was too much too early, especially since its adoption coincided with a recession. They argue, however, that the coal will be needed badly by the mid-80s, when the amount of coal needed by the electricity industry will go up again to 80m. tons a year and more, and when—so the hope is—industry in general and the steel indus-

try in particular will be picking up.

They argue, too, that by the mid-80s, it will be even more obvious than it is now that oil has a finite life as a plentiful—no longer cheap—fuel. Finally, they say that gasification and liquefaction (oil from coal) processes will be commercially viable, and will be required. The cumulative point, then, is that it is in the country's interests to bear with the coal industry in any embarrassingly fat years it may have, for to starve it now would be disastrous for the future.

### Local groups

It is a perfectly respectable case, but it will undoubtedly receive its most serious challenge at Belvoir. "The local groups who are protesting against the development have retained the services of Mr. Gerald Manners, a Reader in Geography at University College, London, who has built up a wide-ranging case against the NCB's argument. And because of the board's short-term embarrassment, that case will look all the more credible.

There is, of course, the positive side to the matter, which is that any strategy as important as the Plan for Coal should get a public airing, and that a gladiatorial arena such as an inquiry is as good a place as any for it. But, perhaps under-

standably, the NCB does not see things this way. It argued in the sixties and early seventies for coal at a time when no one but itself thought coal had much of a future. Now that fortune has smiled on it, it does not want to go through all the old arguments again.

Finally, there is the local turn of the screw. The Vale of Belvoir is an area of some natural beauty which has largely agricultural traditions; the only plant of any size is a British Steel iron foundry near the village of Asfordby, which has recently made redundant some 300 of its 800-strong labour force. In the Leicestershire part of the vale, there are some 470 farms, most of them small—the average holding is about 170 acres. Dairy farming and beef rearing accounts for most of the agriculture: the area is the centre of Siltton cheese-making.

It is not, however, a quaint rural idyll. As Mr. Michael Latham, the Conservative MP for the area (Melton) put it in an article in "The Field" last November: "behind this description lies the modern reality of rural life—that it is changing and has changed. The Vale's villages include a substantial number of 'newcomers' mostly business and professional people, and property was highly sought after until very recently.

... the area has long been seen by the people of Nottingham, and to a lesser extent Leicester, as a rural 'lung' where they can walk in the fresh air and fine countryside." It is these newcomers, allied with the farmers, who provide the backbone to the opposition to the NCB's plans. Mr. Latham is on their side. He, like them, has been shrewd enough to see that they cannot take on the Board simply on environmental grounds—because these could easily be shown to proceed from self-interest but that they must go forward on a broad front.

Mr. Latham reckons that the bulk of the opinion in the three villages where the three Belvoir mines would be located is fairly solidly against the scheme. Of Hose and Saltby he has no doubt: of Asfordby he is not so sure, for there unemployment is high because of the redundancies at the BSC plant. The town is also rather more "industrial" than the rest of the area.

He concedes, too, that some of the opposition to the development is on social grounds. Neither the farmers nor the newcomers want a lot of miners and their families in the area. He dissociates himself from this (largely unspoken) argument, but admits its strength.

Leicestershire Council Council, and Mr. Latham, both think that a compromise development may result from an inquiry—that is, the NCB will drop plans to sink three mines, and suggest two, or even one. In such a way, both sides would have won something.

Already, a working party formed by the NCB and the Leicestershire County Council points the way to such a possible compromise. Earlier this week, the working party issued an interim statement, summarising its discussion. Attention was drawn to the costs which would be incurred by the council—for roads, social services and housing—and it is likely that the NCB will be willing to help out on some housing and road costs.

But such negotiation does not signify agreement. Both sides were careful to say that they reserved their position, making it clear that the discussions within the working party were at least as much aimed at drawing the future battle lines precisely as at coming to an accord. When that battle is joined, it will be both long and fascinating.

## SCOTLAND. THE NATURAL PLACE TO GROW.

To flourish profitably, industry needs the right industrial climate. Room to breathe, space to develop, incentive to grow. In Scotland, the Scottish Development Agency provides that environment. With a budget of up to £300 million, we can offer financial aid to industry where natural growth exists.

The SDA has 3 million square feet of factory space ready to house expanding companies. And we're just as excited about small businesses with big ideas as we are about large industrial complexes.

Many internationally known companies have already established roots in Scotland. Names like General Motors, Polaroid, IBM, Ciba Geigy, Michelin, Nestlé, Rolls Royce, Philips and ICI.

And we'd like to add your company to the list. James Gorie, our Head of Information, would be pleased to tell you more about the industrial opportunities Scotland can offer.

Get in touch—we'd be happy to cultivate an interest in your company's future growth.



Scottish Development Agency  
120 Bothwell Street, Glasgow G2 7JP.  
Tel: 041-248 2700 Telex: 777600

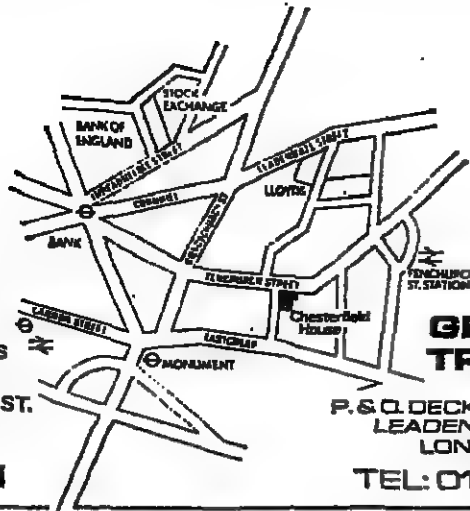
THE SIGN OF SCOTLAND'S INDUSTRIAL GROWTH.







**Chesterfield House**  
24/30 Fenchurch St. London EC3  
16,330 sq. ft. To Let  
Entire 1st & 2nd Floors  
Fully fitted to a high standard - 3 Automatic passenger lifts  
Central Heating



**Lander Burfield**  
CHARTERED SURVEYORS  
HARPER HOUSE  
36/38 LAMB'S CONDUIT ST.  
LONDON WC1N 3LL  
TEL: 01-831 6311

**GEORGE TROLLOPE**  
P. & O. DECK, P. & O. BUILDING,  
LEADENHALL STREET,  
LONDON EC3  
TEL: 01-283 3641

**For Sale or To Let**  
Excellent modern  
Single Storey  
Premises  
**Winsford Industrial Estate**  
Winsford, Cheshire.  
61,955 sq. ft.  
Site area 2.9 acres  
\*Fully sprinklered  
\*Sub-Station \*Craneage

**Dunlop Heywood & Co.**  
Chartered Surveyors  
80 Deansgate, Manchester  
061 624 5264

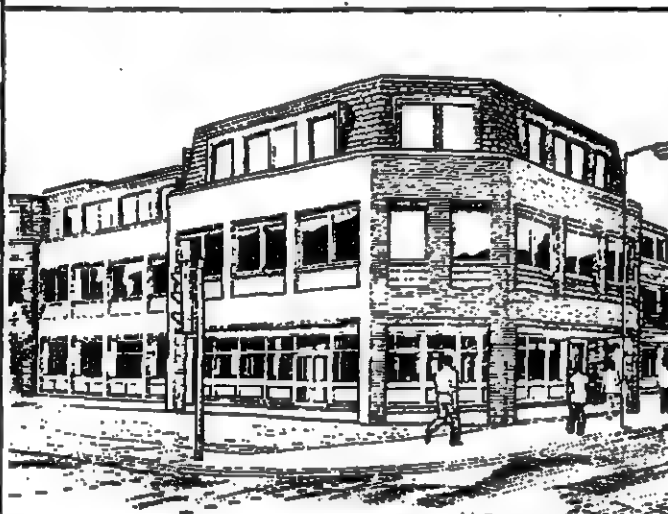
**HIGH-YIELDING INDUSTRIAL INVESTMENT**  
LEICESTERSHIRE  
14% YIELD  
A substantial factory let to engineering company. 33,000 sq. ft. plus additional land for storage/parking. Lease 25 years (from 25/12/77). 5 year rent reviews. Full repairing lease. Rent £19,650 p.a. £140,000 FREEHOLD  
Write Box T.4878  
Financial Times  
10 Cannon Street EC4P 4BY

# BEDFORD

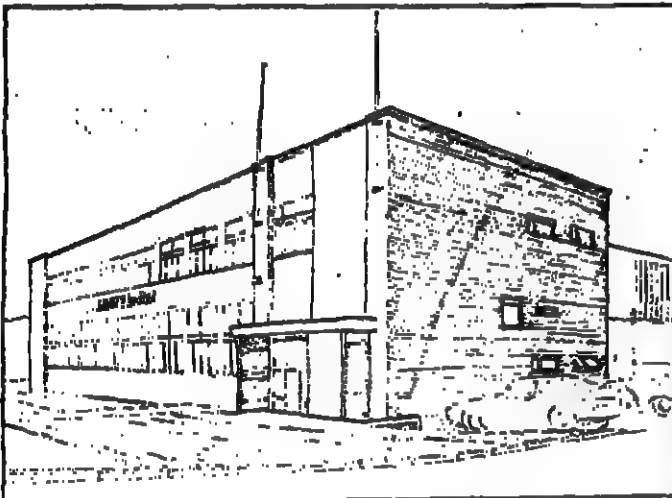
London 50 miles - Between M1 and A1



Chailey House, overlooking River Ouse, Bedford.  
16,200 sq. ft. prestige offices. (Connells).



Merion Centre. New town centre office development. 82,566 sq. ft. remaining. Private parking. (Jones Lang Wootton).



Elms Industrial Estate. Recently built factory/office premises. 32,000 sq. ft. (Designed, built and financed by Hunting Gate Developments Ltd.).



Excellently refurbished Georgian office block, close to town centre. 5,500 sq. ft. to let. (Kilroy).

For particulars of these properties and most medium and large business premises available in North Bedfordshire apply to:- **D. J. PHIPPS, CHIEF ESTATES SURVEYOR, NORTH BEDFORDSHIRE BOROUGH COUNCIL, TOWN HALL, BEDFORD**  
TELEPHONE BEDFORD (0234) 67422.

## One of the World's Greatest Golf Resort Complexes with Development Potential is for Sale

- 500 acres of development land.
- Approval for 3,700 villas or apartments.
- Existing luxury hotel operation.
- 2 championship golf courses.
- 100,000 square foot club house.

### At La Manga Campo de Golf, Spain...

Investment of more than £15,000,000 has created a magnificent resort for further development overlooking both the Mediterranean and the home of the Spanish Open Golf Championship 1973-1977.

All offers will be considered.

For free full colour brochure contact  
**Debenham Tewson & Chinnocks**  
International Real Estate Consultants - Chartered Surveyors

Batcroft House Paternoster Square London EC4P 4ET England  
Telephone 01-236 1520 Telex 883749  
Brussels Hamburg Bahrain Dubai Toronto New York Sydney

## Central Mayfair

Prestige  
Air-conditioned  
Offices

3,600 Sq. Ft.

To Be Let

Write Box T.4879, Financial Times, 10, Cannon Street, EC4P 4BY.

## GREENWICH SE10

BLACKWALL TUNNEL SOUTH SIDE

### Industrial Land & Buildings

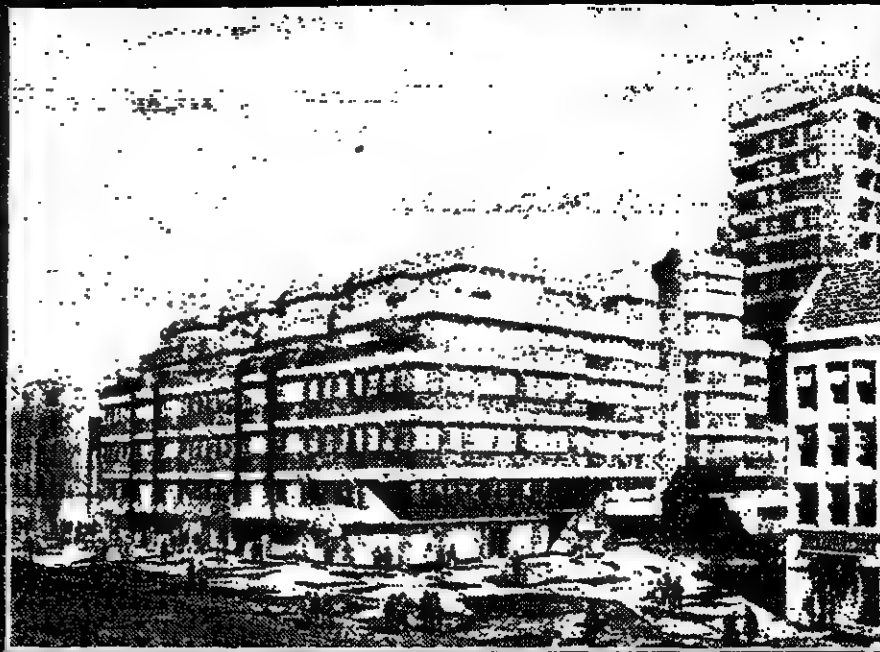
43,000 Sq. Ft. on 3.4 Acres

Ideal Transport/Container Depot/Plant Yard  
FOR SALE

**Henry Butcher & Co**  
incorporating  
**Leopold Farmer & Sons**

59/62, High Holborn, London WC1V 6EG. 01-485 8411

# 1 MIDMARK



Broadwick Street  
London W1

52,000 square feet  
of high quality  
air-conditioned office  
accommodation.

To let.

A splendid new  
development in the heart of  
London's West End,  
just 2 minutes walk from  
Oxford Circus.  
Car parking in basement.  
Residential accommodation  
available in the same building.  
Will divide.

**Richard Ellis, Chartered Surveyors**

6-10 Bruton Street, London W1X 8DU. Telephone: 01-499 7151  
City of London, Scotland, Belgium, France, Holland, Spain, South Africa, Australia, USA, Canada, Singapore, Hong Kong

## Richard Ellis

## SALE OF WOODLAND

WEST SCOTLAND  
NEAR DUNOON, SOUTH ARGYLL

Dedicated, commercially attractive coniferous woodland offered for sale in 4 lots. Stocked area is 610 hectares (c. 1500 acres) of which some 250 ha is under 20 years old and some 360 ha 30 to 55 years old. The areas are well wooded and the major species are Norway and Sitka Spruce.

For further particulars apply to:-



**SWOAC**  
SCOTTISH WOODLAND OWNERS ASSOCIATION  
(COMMERCIAL) LTD  
8 Chester Street, Edinburgh EH3 7RD

**OVER £10,000,000 AVAILABLE NOW**

FOR RESIDENTIAL INVESTMENT IN LONDON AND THE HOME COUNTIES

Unbroken blocks of flats or freehold blocks with short/medium term leases. Freehold estates of houses  
**Up to £5 million**

Freehold estates of ground rents secured on houses  
**Up to £1/2 million**

Large residential properties suitable for refurbishment  
**Up to £3 million**

Development site for up to 100 high class residential units in good location  
**Up to £1 million**

Modern development of shops with self contained residential upper parts in secondary position  
**Up to £2 million**

Details to retained Agents. No commission required

**BERNARD THORPE**  
PARTNERS

1, Buckingham Palace Road, London SW1  
Tel: 01-634 6890 (Ref RMM)

## Sutton

### Bank House

Attractive new offices.  
Opposite BR. Main Line  
Station - 20 minutes to  
Victoria Terminus.  
Single building of 7407 sq. ft.

Available Shortly.  
Private car parking  
passenger lift.  
Gas Central Heating.  
Carpeted.

Sole Letting Agents:



**JONES LANG WOOTTON**  
Chartered Surveyors  
103 Mount Street,  
London W1Y 6AS.  
Tel: 01-493 6040.  
Telex: 23858.

A Freehold Reversionary Investment of outstanding quality

**94 Jermyn Street & 4 Ormond Yard**  
London SW1

Currently Let at the nominal rent of £1,150 per annum

**Exceptional Reversion 1986**

**For Sale By Tender**

on Wednesday 14th June 1978  
at 12.00 noon (unless sold previously)

Sole Agents

**Chestertons** Chartered Surveyors  
**Commercial Investments**

75 Grosvenor Street, London W1X 0JB.  
01-499 0404 Telex 8812560

and in The City of London - Kensington - Hyde Park  
Little Venice - Chelsea



## THE TURNING POINT IN YOUR SEARCH FOR A SCOTTISH FACTORY

Today, there's a new entry point to Scotland's industrial property market. The Scottish Development Agency. We have over 3 million square feet of available factory space strategically sited throughout Scotland, and the financial muscle to help solve your investment problem. Here is just a selection. (All sizes are in square feet.)

### SCOTTISH DEVELOPMENT AGENCY FACTORIES

#### BORDERS REGION

Culterston (2 at 2,500)  
Farnham (10,250)  
Glenhead (10 at 1,500)  
Hawick (2 at 2,500)  
14,750 Kilmahew (2 at 2,500)  
Laurie (12,000 & 1,750)  
Tweedmouth (10,250)  
Tweedmouth (10,250 & 4 at 2,500)

#### CENTRAL REGION

Alford (10,250 & 4 at 2,500) Banburgh (10,000) Falkirk (10,250) Stirling (2 at 2,500)

#### DUMFRIES AND GALLOWAY REGION

Dumfries (2,500) Gretna (2 at 2,500) Kirkcubbin (1,500)  
Roxburgh (2 at 2,500) Stranraer (2 at 2,500) Stranraer (10,250)

#### FIFE REGION

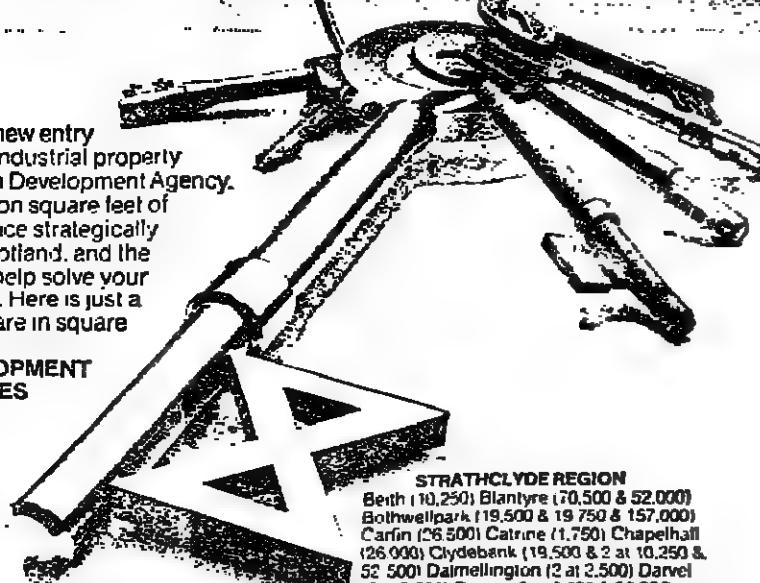
Arbroath (2 at 2,500) Cowdenbeath (2 at 2,500) Cupar (2 at 2,500) Kirkcaldy (10,250) Leven (2 at 2,500)

#### GLASGOW REGION

Glasgow (2 at 2,500) Glasgow (1,750) Bath (2 at 2,500) Bute (10,250) Dumbarton (2,500) Eilon (2 at 2,500) Huntly (2 at 2,500)

#### LEITH REGION

Easington (10,000)



#### STRATHCLYDE REGION

Bath (10,250) Blantyre (70,500 & 52,000)  
Boothpark (19,500 & 19,750 & 157,000)  
Carmichael (19,500) Cumnock (1,750) Chapelhall (26,000) Clydeside (19,500 & 2 at 10,250 & 52,000) Dalrymple (2 at 2,500) Darvel (5 at 2,500) Girvan (2 at 2,500 & 20,350)  
Greenock (128,500 & 4 at 2,500) Inchinnan (52,500 & 19,500) Kilmorych (15,750) Kilmorych (48,500) Lanark (2,500) Larkhall (128,000 & 2,500) Lesmahagow (4 at 2,500 & 6,500)  
Motherwell (4 at 2,500) Muirkirk (1,750)  
Newhouse (24,000 & 53,000 & 82,000 & 67,250 & 15,750)  
Paisley (15,500) Port Glasgow (20,750 & 31,500) Prestwick (10,000) Vale of Leven (125,000 & 15,000)

#### GLASGOW

Cambuslang (27,000 & 16,500 & 11,000) Camphill (5,250)  
Hillington (67,250 & 33,750 & 65,750 & 10,750 & 13,000 & 15,750 & 6 at 5,000 & 21,500 & 1,900 & 7,750 & 4,500)  
Kinning Park (2 at 5,500) North Carleton (116,000 & 5,250)  
Queenslie (2 at 52,750 & 2 at 25,000 & 41,500 & 52,000 & 27,000 & 10,500 & 25,000) Shieldhall (25,000 & 15,250)  
Springburn (117,750) Thornliebank (2 at 1,500 & 2,500 & 3,250 & 4 at 9,750 & 7 at 9,500 & 19,000)

#### TAIVSIDE REGION

Ayr (2 at 2,500) Bannockburn (2 at 2,500) Brechin (4 at 2,500)

#### DUNDEE

Baldovie (2 at 2,500)

#### HIGHLANDS & ISLANDS\*

Thurso (8,000) Caithness (1,500) Brora (2,500) Inverness (10,000) Dalriada (15,500) Smithton (6,000) Fort William (4,000) Portree (2,500) Dalhousie (2,500) Tarbert (Harris) (1,500) Inveraray (3,250 & 1,750) Salen (1,500) Tarbert (Argyll) (1,500) Killybeg (1,500) Campbeltown (8,000)

\*Factories in the Highlands and Islands are owned and are licensed to the Highlands and Islands Development Board, Inverness.

Full details from James Gorie,  
Head of Information, on extension 267  
at the number below.



Scottish Development Agency

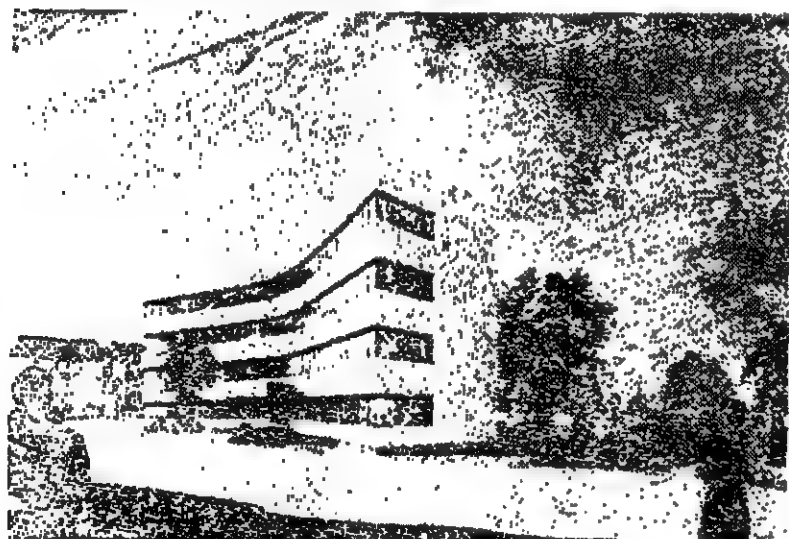
120 Bothwell Street, Glasgow G2 7JP.

Tel: 041-243 2700. Telex: 777600.

SCOTLAND'S INDUSTRIAL FRONT DOOR.

## Bexleyheath, London Boro' of Bromley

Centrally Located New Office Building



Opposite New shopping centre &  
adjoining building society complex.

34,200 sq. ft. To Be Let.

\*Generous parking \*Central heating  
\*Flexible design.

All consents obtained  
Early Occupation



103 Mount Street,  
London W1Y 6AS.  
Tel: 01-493 6040.  
Telex: 23858.

## 70 Queen Street London EC4 Banking Hall/Offices

3,600 sq ft Ground floor and Storage  
First Class City Position • New Lease

Joint Sole Agents



100, Queen Street, London EC4A 3DF  
Tel: 01-236 4040

King & Co

100, Queen Street, London EC4A 3DF  
Tel: 01-236 3000  
Telex: 885485

## PROPERTY DEALS

### Wingate Centre phase one sold

STEPHAN Wingate, joint managing director of Wingate Investments, confirmed yesterday that the 66,000 square foot phase one of the Wingate Centre office development in the Minories has been sold to an outside institution.

Phase one, renamed "Bain Dawes House" after a pre-letting to the insurance brokers last year is due for final completion early in the autumn. But the pre-letting, at over £10 a square foot, has enabled Wingate to sell its stake in the building to an as yet unnamed institution. It is known that Bain Dawes did not buy out the head leasehold, and that neither of the site freeholders, British Rail and London Transport, made the bid.

On a straightforward capital value basis the Bain Dawes block would be worth around £12m. But, without details of Wingate's ground rent or an accurate fix on rents in the 25-year lease, it is impossible at this stage to give a definite figure for the sale price.

Wingate, which was taken over by the contracting and property giant George Wimpey in 1976 in a £5.3m. agreed bid, started preliminary work on the Aldgate project in the late 1960s. Site assembly, planning and design problems were finally resolved by 1978, and the Wimpey takeover gave Wingate the financial muscle to carry through the development.

After the Bain Dawes pre-letting last year — arranged through George Trollope and Sons, the broker's advisers — Wingate, and its project manager and letting agent Lander Burfield, decided to build the remaining sections of the scheme in a single, 95,300 square foot unit. Work on that side of the scheme is expected to be completed by 1980.

BAIN DAWES itself is now marketing the 16,500 square feet of offices it will be leaving in the City of London Real Property's Chesterfield House, E.C.3. Land Security's subsidiary is taking back two of the broker's four floors when Bain moves to the Wingate scheme in November. The remaining space, 7,830 square feet on a lease running to June, 1981, and 7,600 square feet until March, 1985, is available through Trollope at £80,000 and at £100,000 a year respectively, an average of £11.06 a square foot.

CLRP's strong presence in the area around the Lloyd's market shows through in another completed letting this week. The whole 64,500 refurbished square

feet of 109-114, Fenchurch Street, E.C.3, has now been let at an average of £15.50 a square foot.

The ground-floor space went to Barclays Bank and to two retailers — advised by Hooley and Baker — while the offices have been taken by Sun Insurance Office — advised by Kinner and Green — A. L. Sturge (Holdings) — advised by Smith Melzack — C. E. Heath, and Watling Street Properties. Newton Perkins acted for CLRP on the Watling Street deal.

FOLLOWING the recent Smith Melzack move of Lloyd's Underwriters' Non Marine Association from Lloyd's old building to a 2,900-square-foot office at 85, Gracechurch Street, E.C.3 — where Richard Ellis and Jones Lang Wootton acted for the landlord — further near-Lloyd's moves in recent weeks confirm the over-£20-a-square-foot average for smaller space within walking distance of the underwriting floor.

Trident General Insurance, represented by Portman Estates, has taken 1,255 in another CLRP refurbishment, 37-39, Lime Street, for £21,50 a square foot. And the Land Securities' subsidiary has also achieved a rent of just over £22 a square foot for a small suite on the eighth floor of its 40, Lime Street block to the Norwich Winterthur Reinsurance Group. In both cases JLV acted for CLRP. Ellis acted for Winterthur.

Rather cheaper space is now available in New College, Oxford's Finlay House building at 82-84, Fenchurch Street, E.C.3, another of the magic "two-minute walks" from Lloyd's. The college, advised by Baker Harris Saunders, is offering 15,000 square feet of this elderly but pleasant-looking building at just 58 a square foot.

Kenya Airways' head office in Mayfair, at 16 Conduit Street, W.1, has been sold to Scottish Amicable Pensions Investments for just over £1m. Barnett Baker and Company introduced the former Austrian Airlines' building to the Kenyans and to the Fund, and Gale Heath for Scottish Amicable, negotiated a yield of just under 8 per cent. on the 6,000 sq. ft. modernised block.

Still with the airlines, Smith Melzack is asking an average of 33 a sq. ft. for British Airways' 12,500 sq. ft. offices and showrooms in Pearl Assurance's Dorland House, Lower Regent Street, W.1. The Dorland House reservation office was BEA's West End headquarters. Following the BEA/BOAC merger, the airline is to consolidate its business in its larger offices opposite the Café Royal further down Regent Street. The 5,500 sq. ft. retail showroom and 7,000 sq. ft. of offices at Dorland will be vacant by June.

J B

A DEVELOPMENT BY MARKHEATH SECURITIES GROUP

### SOLAR HOUSE

## FINCHLEY CENTRAL, N.3

APPROX **10,800** SQ FT

PRESTIGE NEW AIR CONDITIONED

## OFFICES

UNDERGROUND CAR PARKING FOR 20 VEHICLES

## TO LET

JOINT SOLE AGENTS:



Norman Hirshfield  
Ryde & Browne

42 Welbeck Street,  
London W1M 7HF  
01-486 4601



Herring Son  
& Daw

26/28 Sackville St.,  
London W1X 2QL  
01-734 8155

## BUSH HOUSE, ALDWYCH

Refurbished, Air-Conditioned

## Offices To Let

various floors providing approx.

3,000/6,000/9,000/12,000 sq. ft.

Sole Agents

**BERNARD THORPE**

1 BUCKINGHAM PALACE ROAD LONDON SW1W 0GD  
01-834 6890

## Giltspur House

6 Giltspur Street London EC1

sq. 9,600 ft.  
of office/showroom  
accommodation

Ideally suited for use as a  
headquarters building.

A further 6,925 sq. ft. of office space  
may be available if required

Joint Sole Agents

**SHEPHERDS**

**EDWARDS  
BIGWOOD  
& BEWLEY**

01-499 0271

01-499 9452

## FOR SALE

**FREEHOLD SITES - AT THE HEART OF ENGLAND**

\*Tamworth — a growing and prosperous centre, designated an overspill town for Greater Birmingham.  
\*Ample skilled labour available locally.  
\*Growing housing stock at all price levels.  
\*Road access to site and all main services included in price.  
**£35,000 PER ACRE FREEHOLD**  
Sites from 1/2 acre upwards.



### TAMWORTH INDUSTRIAL PARK

For full information, please contact Mr. M.D. Weaver  
ASHWORTH & STEWARD (HOLDINGS) LTD.,  
Aster House, Lichfield Road, Four Oaks, Sutton Coldfield,  
West Midlands. B74 2UP. Tel: 021-308 3891.

**CLOSE ST. PAULS E.C.1.**  
MODERNISED OFFICE BUILDING  
4415 SQ. FT.

**FOR SALE FREEHOLD**  
£375,000

**Thomas Deal & Partners**  
01-4081582

**Thorntons**  
Woking 62411

## 14 Nicholas Lane, EC4

Air-conditioned office building

## To Let

3,470 sq. ft. approx.



33 King Street,  
London EC2V 8EE.  
Tel: 01-606 4060.  
Telex: 885557.

## Welbeck Street, London W.1. Entire modern office building TO LET

9,000 sq. ft.

\* Passenger lift  
\* Central heating  
\* Carpeting, lavatory, etc. as required

Please contact Derek J. Gilmore or David Klein

## Strutt & Parker & Co.

13 Hill Street, London W1X 8DL  
01-629 7282

## FOR SALE

0.6 acre freehold industrial site in Poplar, E14.  
Planning consent for general or special industry.  
Details from Clarebrooke 01-839 6342 or Michael  
Kalmar & Co., 01-236 6871.

## PRESTIGE OFFICE SUITE REQUIRED

St. James's Area  
For Chairman of Public  
Company  
1,500-2,000 SQ. FT.  
Please Telephone Miss Knights  
01-546 2131

هكذا مت الأمل



St Quintin  
Son & Stanley

Telephone: 01-236 4010

**Inexpensive  
Strand offices**

Adjacent units to let

**1400/2100 sq ft**

Ref: JK/WT

**CITY AREA EC1/E1****Excellent Industrial  
Warehouse Premises****TO LET**

4,550 sq. ft.	WAREHOUSE	£7,250 p.a. exc.
9,100 sq. ft.	WAREHOUSE	£5,460 p.a. exc.
15,525 sq. ft.	WAREHOUSE	£12,420 p.a. exc.
17,150 sq. ft.	WAREHOUSE/FACTORY	£13,720 p.a. exc.
22,120 sq. ft.	FACTORY & OFFICES	£15,500 p.a. exc.
27,250 sq. ft.	FACTORY & OFFICES	£21,800 p.a. exc.
44,400 sq. ft.	FACTORY/WAREHOUSE & OFFICES	£35,520 p.a. exc.

ALL UNITS HAVE BENEFIT OF:

- GOOD LOADING FACILITIES
- NEW DECORATIONS
- SPRINKLERS
- 24-HOUR SECURITY
- CENTRAL HEATING

Full details from Sole Agents:

**Norman Hirshfield  
Ryde & Browne**42 Woburn Street, London W1P  
Telephone: 01-480-1601**SOMETHING IN COMMON...****Park House  
Wandsworth**

A self-contained office building

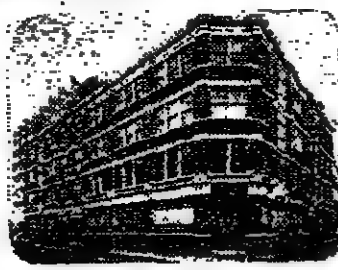
**17,500 sq. ft. TO LET**overlooking parkland  
Full carpeting, lighting, air-conditioningRichard Ellis, Chartered Surveyors  
6/10 Bruton Street, London W1X 8DU  
Telephone: 01-499 7151**Richard Ellis****BERKSHIRE  
HOUSE W.C.1****24740 sq. ft.****MODERN OFFICES  
TO BE LET**

Automatic Lifts • Central Heating • Parking

Sole Agents:

**MELLERSH  
& SHARDING**43 ST. JAMES'S PLACE  
LONDON SW1A 1PA  
01-493 6141**FREEHOLD****PRIME SHOP & OFFICE INVESTMENT  
IN MULTIPLE RETAIL LOCATION**  
Just out of Sloane Square, immediately opposite Peter Jones (John Lewis Partnership) and in same parade as ABC (Bakeries), MacMarket, Victoria Wine Co., Ladbrokes, Boots, etc.  
Presently producing £4800 p.a.  
SUBSTANTIAL REVERSIONS 1984  
FOR SALE BY PRIVATE TREATY (OR TENDER LATER)

Veniers Sole Agents

**W.A. ELLIS** 174 Brompton Rd.  
SW3 1HP. 01-589 2425**TO LET****PRESTIGE CITY OFFICES E.C.3**500-1,500 SQ. FT. GROUND FLOOR, ST. MARY AXE  
1,700 SQ. FT. SEVENTH FLOOR, DUKES PLACE  
SHORT LEASE ALL SERVICES  
Apply: Ref. AKD. Caylor Irvine Property Management Ltd.  
2-4 St. Mary Axe, London EC3  
Tel: 01-283 4343**LIVERPOOL STREET (close)****FOR OCCUPATION, SPECULATION OR  
HIGH-YIELDING INVESTMENT  
CREATION UPON RENOVATION**Net area over  
**40,000 sq. ft.**

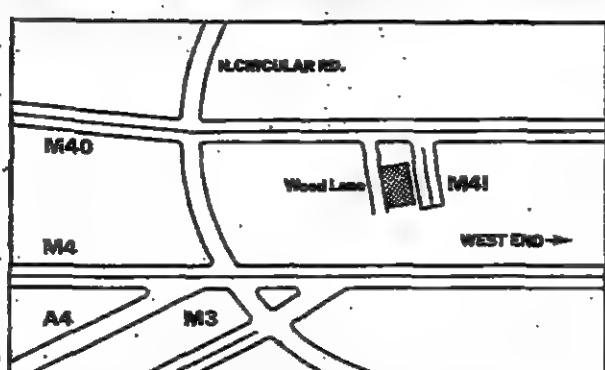
- Three communicating buildings
- Fire-resistant enclosed staircases
- Good natural lighting
- Lift

VACANT POSSESSION FREEHOLD  
**£150,000****Chamberlain  
& Willows**

Estate Agents • Surveyors • Valuers

01-606 9611

Church House, Ironmonger Lane, London EC2V 8EU

**PRIME  
INDUSTRIAL  
SITE****Hammersmith Wood Lane W12****11 acres for disposal on  
99 year lease**

For further details Contact:

Borough Valuers  
London Borough of Hammersmith  
Hammersmith House  
Black's Road  
W6 8EG. Tel: 748 2077  
Ref: A. Whitehead/J. E. Stockdale**Link House,  
Luton**New self contained  
office building**6,590 sq ft  
To be let****Debenham Tewson & Chinnocks**Chartered Surveyors  
22-28 Brixton Street, London SW9 6DY  
01-408 1161 Telex: 22105**Stillman & Company**Chartered Surveyors  
30 Abchurch Lane, London EC4N 3DF  
Tel: LUTON 28622**MODERN OFFICES**

12 mins. Fenchurch Street

**TO LET****£4 psf approx****3100-6200 sq. ft. ALL AMENITIES****Keith Cardale,  
Groves & Co.**Chartered Surveyors  
36 ST. ANDREW'S HILL, EC4V 3DF  
01-248 9771**A. GLENNY  
& SON**Chartered Surveyors  
89 East Street, Barking, Essex  
(Tel. 01-584 3017/8)**CLERKENWELL EC1**

Ground Floor

**FACTORY/WAREHOUSES****2,550/18,830 sq ft**

Large Yard

Ideal Distribution Depot

**EDWARDSYMONS  
& PARTNERS**

56/62 Wilton Road, London SW1V 1DH

Tel: 01-834 8454

**BUILDING LAND  
AND SITES**

Helmshore, near Manchester.

Superb residential site with full planning permission for 154 detached and semi detached homes for sale by public tender in two lots or as a whole. Manchester centre 15 mins. approx. Immediate start. Proven sales record. Possible land exchange.

Contact: M. Holden B.Sc. A.S.V.A.,  
Pearl Slater, 307 Union Road,  
Oswestry, Cheshire, LL24 0JL.  
0254 34762.**LAND FOR SALE**

EDINBURGH, near City Centre, three-quarters acre site at private courtyard with planning consent for development. Write: Box 7, 4875, Financial Times, 10, Cannon Street, EC4A 3DF.

**INTERNATIONAL  
PROPERTY****BARCELONA**

Office in Plaza Catalina, heart of banking, insurance and business, near Bank of Spain, Bank of Bilbao, Bank of London and S. America, Balmes and Wilton, etc. 250 sq. metres, air conditioning, acoustic insulation, ground floor in showrooms/office part of the city. Modern building, air conditioning, 230 sq. metres. New house. Leases will be negotiated in London. Agents required.

Write: Box 7, 4875, Financial Times, 10, Cannon Street, EC4A 3DF.

**SHOPS AND  
OFFICES****MAYFAIR  
OFFICE  
BUILDING****5300 sq. ft.****TO LET****LEASE FOR SALE**

Apply:

DEREK REDDIN-CLANCY,  
JAMES & JACOBS,  
94 JERMYN ST., SW1.  
01-930 0261**BROMLEY  
CENTRAL LOCATION****EXCELLENT****OFFICE SUITE****2,800 sq. ft. net.**

LIFT &amp; CENTRAL HEATING

RENTAL £13,300 P.A.

LEASE FOR SALE

Baxter Payne & Lepper,  
19 East Street, Bromley.  
01-464 1181**CENTRAL WAY**

NORTH FULHAM TRADING ESTATE

Extensively modernised

LABORATORY/

OFFICE BUILDING

Approx. 6,300 sq. ft.

13,888 sq. ft.

Small shop, King George V

STURGIS &amp; SON

01-788 4551

**WORLD TRADE CENTRE**

LONDON

Self-contained office suite to be let.

Complete with all facilities available in-

cluding 24 hour telephone &amp; cable,

and secretarial services.

For further details contact:

Marketing Dept. 01-485 2400

**FOR INVESTMENT****OXFORD STREET, W.1**

ADJACENT

**HIGH INCOME PROFIT****RENTAL****YIELD 20% RISING TO 25%****IN MARCH 1979.**

Secured on 2 Shop Properties.

Present income £9,800 p.a.

Rising to £13,000 p.a.

Full Repairing and Insuring

Leases.

LEASE: 11 years

FIXED RENT: £150 p.a.

PRICE: £50,000

Write Box 74880

Financial Times

10 Cannon Street, EC4A 3DF

**WANTED**

WE ARE ACTIVELY seeking to purchase

commercial property investments

between £20,000 and £50,000 for

development, or for rental income.

Interested parties should send details to:

Mr. J. J. G. Jones, 225, Strand, London, W.C.2.

W.C.2. Tel. 01-722 3333

**FACTORIES AND  
WAREHOUSES****FREEHOLD FACTORY****For Sale £170,000****NORTH-WEST LONDON****About 0.7 acre and****27,000 square feet****BIGGINS AND CO.,****Chartered Surveyors,****01-865 8573****01-965 9085****LUTON/BEDFORD AREA****4,000 SQ. FT.**

modern single storey factory. Equipped

for plastic injection moulding

complete with all electrical instal-

lations, dual water cooling system,

cooling tower and refrigerated water.

Immediately available. Leasehold.

For details telephone: 01-534 3237

**WANTED**

WANTED: Warehouse on one floor around

floor 15-20,000 sq. ft. near

possible to Chiswick, London, N.1. Con-

tact: Mr. Harris or Mr. Sheppard 01-245 0444.

**NEWS ANALYSIS — PORT OF LONDON****The last chapter of  
dockland's sorry saga**

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

DOCKERS were again jostling outside the headquarters of the Port of London Authority yesterday for what could be the start of the final episode in the bedraggled saga of London's Upper Docks.

No doubt, as yesterday's initial skirmishes suggest, it will be as difficult a battle as ever for the authority to convince Government, its employees and the East End local authorities that the dilapidated, underused berths of India, Millwall and the Royal group cannot be allowed to go on draining lifeblood from the port.

Mr. John Cuckney, the port chairman who built his reputation on sorting out the Crown Agents, certainly cannot be accused of mincing his words at the presentation of his annual report yesterday.

The port was, he said, on the point of bankruptcy and if nothing was done to correct present trends, would be losing between £76m. and £80m. by 1982. "We have reached the end of the road," he said.

It has been a long and confusing road, along which the prominent recent milestone was the decision in January, 1976, to transfer virtually all general cargo handling out of the India and Millwall docks one bend round the Thames to the Royal Victoria and Albert and King George V docks, the Royals.

Faced with the formidable opposition of local MPs, among whom are Mr. Peter Shore, Environment Secretary, and Mr. Ian Mikardo, local authorities, trade unions, and shipowners—worried about any transfer of activity to the traditionally militant Royals—the PLA lost its resolve and ten months later announced that both dock areas would be allowed to soldier on. The authority even agreed to pump in £400,000 to modernise facilities at Millwall in order to satisfy its customers that the service would remain reasonably efficient. It also extracted promises from the unions that numerous restrictive practices would end and that this would help to contribute to an upturn in business which could give the old East End docklands a secure future.

Industrial relations at the port have shown some improvement in line with national trends since the great dock strike of 1975, but even so about 10,000 days were lost last year.

The PLA also says that many of the worst restrictive practices persist. One of these involves a duplication of tally clerks because of two conflicting sets of union origins for this group of workers. It means that many

**PORT OF LONDON: VOLUME OF TRADE ('000 TONNES)**

	1970	1971	1972	1973	1974	1975	1976	1977
Upper Docks	4,988	4,589	3,461	3,049	2,596	1,679	1,810	1,780
Tilbury	5,324	5,747	6,116	6,329	6,140	5,142	4,420	4,720

**PORT OF LONDON: SHARE OF U.K. PORTS TRAFFIC BY VALUE (%)**

	1970	1971	1972	1973	1974	1975	1976	1977
Imports	19.1	19.1	17.3	15.1	12.9	10.9	11.5	10.8
Exports	25.1	23.1	21.6	20.0	15.6	14.0	12.7	11.8

ships and lorries unloading at the port have their boxes counted twice by different men, even though further down the river at Tilbury, there may be no tally clerk available to document an operation.

**Alarming**

In other respects, the manpower picture is even more depressing. More than one-third of dockers are over 50 and by 1982 this could reach two-thirds. Not surprisingly, sick absenteeism has crept well beyond the national average of 4 to 5 per cent, from 7 per cent in 1976 to 10 per cent last year.

Behind these facts, alarming enough in themselves, lies the basic overmanning of the system, which means that every day between 1,100 and 1,500 of the port's 5,000 registered dockworkers are surplus to requirements.

These men, depending upon their medical categorisation, receive between £80 and £80 a week. These were some of the points in Mr. Cuckney's mind yesterday when he described the port as a microcosm of the worst in British industry.

What must have also been in his mind, although he refused to be drawn into issues of blame, was the failure of previous managements and previous Governments to face up to the problem. The authority's finances have been subject to cosmetic attention for years although it has still lost £30m. since 1970.

Part of its survival has depended upon sales from its land bank, which has been devalued by the property slump and the effects of the Development Land Tax, but it has also been living on its reserves. Five years ago, those reserves stood at £54m., but had shrunk to £2m. at the end of last year and are now on the point of disappearing altogether.

The financial logic of the situation is obvious. Unless the Government pumps in cash, the PLA will not be able to afford to pay wages. It last received a major bank loan in 1976, but seem peaceful as a Quaker meeting.

guarantees, and clearly will not findered under any other terms in its present plight.

For Mr. Cuckney, the industrial logic of its position is equally apparent, although he insists that his Board has as yet taken no decisions about closures, nor has it made any such recommendations to Government.

The discussion document launched by the PLA yesterday makes it plain that the authority wants to close the Upper Docks, which will mean costing £10m. a year to keep open. If they were closed the PLA could be into marginal operating surplus by 1980.

So the stage is set for another battle of the Royals. Mr. Cuckney has pinned his faith in full disclosure of the figures in the hope that after the initial and inevitable explosion, what he is saying will eventually be taken with the seriousness it deserves.

It may well be, of course, that Mr. Cuckney will negotiate, but his personal view is that if Government does want to prop up the Upper Docks for social reasons, it must not only pay the bill but it must make grants for specific purposes in such a way as not to undermine the whole morale and commercial purpose of the organisation.

**Hawkish**

It will be interesting to watch the political struggle. At the time of the last attempt at slimming, Mr. Shore's Environment Department controlled transport. Since then, Mr. William Rodgers has become Transport Secretary with a seat in the Cabinet.

Mr. Rodgers, a Right-winger, has so far indicated a hawkish view on the PLA, which is fully in line with his commitment to unsubsidised freight movement, although somewhat at odds with his decision under pressure last year to bail out the Port of Preston.

The fight over London will make the Preston confrontation with a Quaker meeting.

**CABINET DE MAITRES****PIERRE FIGUEMAL & ALAIN HUMMEL**

Barristers in Bayonne (64100) - 12, rue Thiers - Tel. (59) 25.03.82

**SALE AT THE COURT OF BAYONNE ON MONDAY, 29 MAY, 1978 AT 14.00 HOURS****IN FOUR LOTS****OF THE CHATEAU OF LARRALDIA IN VILLEFRANCHE (FRANCE)****AND ITS OUTBUILDINGS****1st Lot — Hostelry of the Chateau de Larraldia**

4-star hotel, 21 luxury rooms with bathrooms, lounges and reception rooms, dining-rooms, annexes with restaurant, bar, lounges, bedrooms, bar-solarium, barbecue, conference room, swimming pool, chapel. All conveniences, high standing, 2 telephone lines. Outbuildings on 105,022 sq.m. of wooded land, lawn, parks and pleasure gardens.

**2nd Lot — "Le Cheval Roux" Riding Club**

with stables, maneges and accommodation on 214,791 sq.m. of woodland, lawns and walks.

**3rd Lot — Mill of Poyloa**

with 2,906 sq.m. of land, situated in part on Villefranche and on Saint-Pierre d'Irube.

**4th Lot**

Building plots covering a total area of 64,914 sq.m.

the whole facing the Pyrénées mountains, 10 km. from the Biarritz-Parme Airport; atmosphere of calm and luxury with numerous nearby possibilities for entertainment; Chiberta Biarritz Chantaco golf course, tennis courts in Bayonne, bowling and two casinos in Biarritz and strung on the coast.

Reserve price:	1st lot — Frs. 1,300,000
	2nd lot — Frs. 40,000
	3rd lot — Frs. 5,000
	4th lot — Frs. 250,000

excluding sale expenses, registration duties and emoluments.

Only barristers of the Bayonne Bar may push up the auction price.

Compulsory lodging preceding the auction in order to bid.

For further information, please contact:

- Maitres P. Figueomal and A. Hummel, Avocats vendeurs, 12 rue Thiers - 64100 BAYONNE (France) - Tel. (59) 25.03.82 who hold a copy of the tender documents,
- or any barrister of the Bayonne bar.



# Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHÖETTERS

## PROCESSING

### Curing insulants twice as fast

CABLES CAN be cured in less than half the time of conventional steam systems with a method being launched for the first time in the U.K. and Europe by Francis Shaw and Company, specialist engineers to the cable, plastics and rubber industries.

Under licence from General Electric Company, U.S.A., the Shaw company will manufacture and supply the High Velocity Gas Cure (HVGC) system, which uses recirculating preheated nitrogen. GE is one of the world leaders in cable manufacturing and development of chemically cross-linked polyethylene compounds. It holds the original patents and patent improvements for this material. The HVGC process is covered by patents in many countries and is applicable to most materials which possess heat-vulcanisable characteristics. Heated nitrogen is passed at high velocity directly over the surface of the cable, increasing the heat transfer rate and improving output. Tests with cross-linked polyethylene have shown that cure rates can be increased by as much as five times for low

voltage cable insulation and about double for high-voltage insulation, compared with steam curing.

The temperature and pressure of the gas can be adjusted independently for maximum efficiency whatever the cable covering material.

Penetration of steam into cross-linked polyethylene during traditional curing increases the number and size of microvoids. The incidence of water trees in the insulation, leading to possible breakdown of the cable, has been reported by many organisations throughout the world. The use of nitrogen as a curing medium is generally accepted as reducing this effect.

With steam it is necessary to use high pressure to obtain high temperatures and it is not possible in practice to adjust these two factors independently. The use of much lower operating pressure is possible with the HVGC system.

Francis Shaw and Co., 061-223 1313—POB 12, Corbett Street, Manchester M11 4BB.

### High speed specimens

DEVELOPED by Ion Teoh of Teddington is an ion beam device that is capable of reducing electron microscope specimen thickness at the rate of 200 microns/hour.

Called Microrapid, the equipment consists of a modified version of the company's B11W water-cooled, saddle-field ion source fitted with a new specimen fixture assembly which is virtually inside the ion gun, exposing the specimen to very dense beam.

The beam has a high neutral ion content so that insulating materials can be etched without fear of charge build up and beam deflection. In addition, by using a detector electrode behind the specimen, automatic termination is provided so that the etching proceeds it is always stopped accurately, eliminating operator error and protecting the specimen.

Although some materials can be completely prepared by Microrapid, others need brief additional treatment in a conventional thinner at low angle of incidence; but in other cases total processing time is much less than using only conventional methods.

More from 2 Park Street, Teddington, Middlesex TW1 0LT beam deflection. In addition, (01-977 9308).

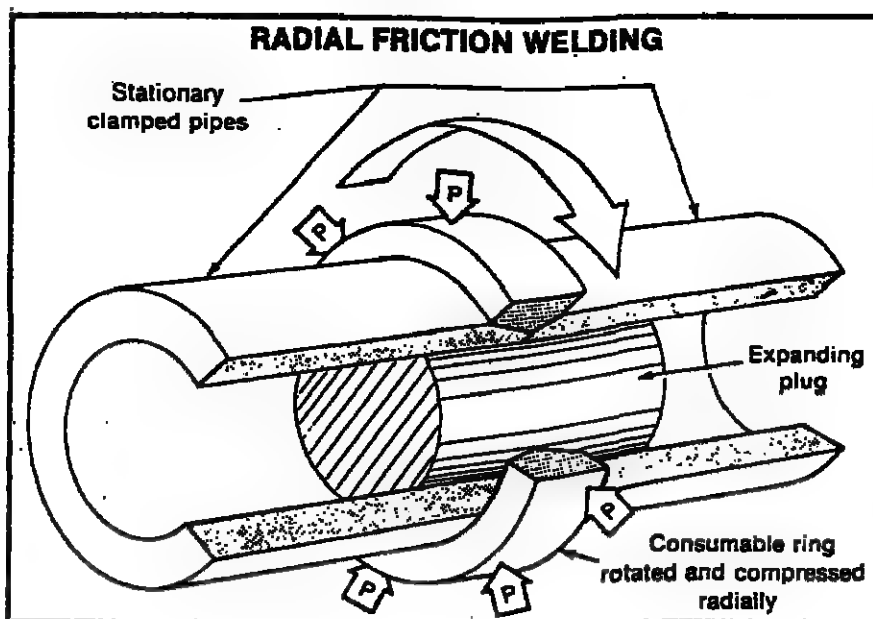
## COMMUNICATIONS

### Commentators kept in touch by TV

PRESTIGE AWARD of the key complex in the centre and the others. Monitoring facilities are thus being provided for the 1200 radio and TV commentators of all nations covering the Games. Numbers of commentators in the USSR—will operate within the whole complex range from 425 in the largest down to 33 in the smallest. Each commentary position will have two receivers which will have available up to 26 TV channels. Equipment to be supplied by the company will be based on the RE1000 series of amplifiers designed and developed by the company at Hayes and manufactured in the EMI plant at Treorchy, South Wales.

Installation of the 2612,000-worth of units will start in spring next year and Soviet engineers will be trained on the equipment at Hayes.

More from EMI on 01-486 4488.



CONVENTIONAL friction welding procedures of rotating one component against another one while an axial thrust is applied to create a sound defect-free weld between two similar or different metals are now well-known. Short lengths of round materials have been butt-welded in this way, together and to flat surfaces for some time in several widely differing high production applications.

Radial friction welding describes a novel application of the technique, developed primarily to overcome problems associated with friction welding when it is intended to weld together long pipe lengths.

Development equipment designed by the Welding Institute—a diagrammatic representation of which is shown here—is to be demonstrated next week in Harrogate at the Welding Engineering Exhibition.

The equipment is capable of friction welding together two sections of pipe of practically any length. It has been demonstrated already in operation with pipe quality steel of 115 mm in diameter and 9 mm wall thickness.

Using the rotating, compressed consumable ring technique, it should be possible to join long pipes at sea, attach collars to shafts etc. with top quality results.

More from the Welding Institute on 0223 811122.

### RESEARCH Makes high speed event transparent

NOW becoming more generally available after development in conjunction with the Royal Armament Research and Development Establishment at Fort Halstead, a high speed sequential radiography system for X-ray (International Testing) of Milton Keynes is able to "see through" short events, filming them at 10,000 frames per second.

In practice this means that events lasting for up to 25 milliseconds will, when projected, seem to last for about ten seconds and can be examined clearly in detail. For example, at HARDE it has been possible to see clearly the penetration of a shell through armour plating—an event not easily seen in visible light.

The equipment consists of a high intensity X-ray tube made for Scantay by AEG-Telefunken, an image intensifier system and a high speed film camera. The

tube filament is kept on stand-by and, at a preset time before exposure the filament power is increased to operational level. Then, a suitable trigger pulse generated by the event sequence activates the tube.

The length of the X-ray pulse produced can be adjusted to suit the event duration and during this time emission is at a level ten times the level of normal X-ray equipment.

The image intensifier converts the X-ray image into an extremely bright visible image which is photographed by a high speed rotating prism camera. The exposure on this faceted plate has a decay time of less than one nanosecond, so that there is no blurring of individual images.

The system is expected to have wide application in industry. For example, what precisely happens during welding processes is not easily seen in visible light. It also becomes possible to see the dynamics of the steel in motor tyres, eccentric growth in bearings, the rupture of electrical fuses, growth of cracks in turbine blades and the mechanism of liquid-metal explosions.

More from the company at 36 Barton Road, Bletchley, Milton Keynes MK2 3LQ (0908 70771).

### NORTH SEA OIL Ferranti rules offshore

HARD ON the heels of its significant win in the Brent PLUS (pipeline integrity system) scheme, Ferranti has announced that it has secured both the contract for an automated platform operating as system for Brent B, with potentially many more to follow, and that for the logistics system to be operated by Shell/Eso from Aberdeen for their North Sea oil and gas fields.

In the first instance, Shell U.K. Exploration and Production has let the \$600,000 contract covering the Brent B CAPO system which includes telecontrol equipment on the platform and a supervisory processor in Aberdeen. A further five similar systems could be purchased in the course of the next 12 months.

Main task of the offshore equipment will be data logging and alarm reporting. Control functions could be added later.

There will be four stations distributed around the platform and the Aberdeen computer will drive them through one of the company's telecontrol systems. This machine will also be linked with the outstations to be installed under the PLIS project to watch for pipe breaks and leaks (reported a few days ago).

PLIS computers will get information from the CAPO units as if the latter were outstations. In the second new award, Ferranti will be providing a

dual processor to Shell/Eso for logistics support for all oil and gas operations. The processors will provide communications between over 70 terminals in Aberdeen and the Shetlands as well as on platforms in Brent, Cormoran and Dunlin fields.

The system will be based in Aberdeen and linked to its terminals in a star network over land lines and tropospheric scatter links.

Constantly updated logs will be provided from the start on offshore flight information and seat bookings; a register of personnel; current delivery status of all materials requisitioned offshore; automatic production of cargo vessel inventories before sailing; customs forms; register of overtime and allowances, etc.

More from Ferranti, Simonsway, Wythenshawe, Manchester M22 5LA. 061-428 3644.

### SAFETY Underfoot stability

A BREAKTHROUGH in electrical switchboard matting, used in high voltage switch room applications in companies and government installations throughout the U.K., is claimed by H. K. Porter (Great Britain).

The material has been developed, says the company, to incorporate resistance in a rubber matting which meets all the requirements of the BS 921, 1975. It should overcome the problem of oil contamination from engineers' footwear and accidental spillage and retain the properties necessary for providing insulation for engineers working with heavy switchgear equipment.

The product, called Porter matting, is available in either ribbed or flat surface, both having a non-slip back, and is intended for extending the life of electrical switchboard matting for power stations, oil companies, heavy industrial engineering complexes, government electrical installations and many companies with heavy switchgear in transformer chambers.

More on 041-221 9232.

### RADIO AND TV Optic cables

LOW DENSITY polyethylene made by BXL is being used to sheath optical fibre cables offered by BICC for telecommunication and television distribution systems.

It was chosen because it was capable of being processed at 80 degrees C lower than the temperature normally involved in cable manufacture, while maintaining the requisite mechanical properties and environmental stress crack resistance after going through extrusion sheathing lines.

More from British Xylene, 8 Grafton Street, London W1A 2LR (01-429 8100), a Union Carbide Group company.

New Issue  
May 5, 1978

## elf aquitaine

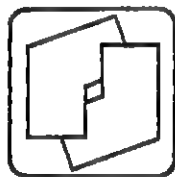
Société Nationale Elf Aquitaine (SNEA)  
Paris

DM 100,000,000

5 1/4% Deutsche Mark Bonds of 1978/1988

Offering Price: 99 1/4%  
Interest: 5 1/4% p.a., payable annually on May 15  
Redemption: on May 15 of the years 1983 through 1988 in 3 equal annual instalments by drawings of series by lot at par  
Listing: Frankfurt am Main and Düsseldorf

This advertisement appears as a matter of record only.



<b>Deutsche Bank</b> Aktiengesellschaft	<b>Union Bank of Switzerland (Securities)</b> Limited
<b>Dresdner Bank</b> Aktiengesellschaft	<b>Société Générale</b>
<b>Banque de Paris et des Pays-Bas</b>	<b>Bayerische Vereinsbank</b>
Algemeene Bank Nederland N.V.	Amsterdam-Rotterdam Bank N.V.
Atlantic Capital	Banca Commerciale Italiana
Bank of America International	Bank Julius Baer International
Bank Leu International Ltd.	The Bank of Tokyo (Holland) N.V.
Banque Bruxelles Lambert S.A.	Banque Française du Commerce Extérieur
Banque Générale du Luxembourg S.A.	Banque de Gestion Privée
Banque Internationale à Luxembourg S.A.	Banque Nationale de Paris
Banque de Paris et des Pays-Bas (Suisse) S.A.	Banque Populaire Suisse S.A. Luxembourg
Banque de l'Union Européenne	Banque Varnes et Commerciale de Paris
Baring Brothers & Co., Limited	H. Albert de Bary & Co. N.V.
Bayerische Landesbank Girozentrale	Berger Bank
Berliner Handels- und Frankfurter Bank	Caisse Centrale des Banques Populaires
Chase Manhattan	Chemical Bank International
Compagnie Monégasque de Banque	County Bank
Crédit Industriel et Commercial	Crédit Lyonnais
Crédit Suisse White Weld	Créditanstalt-Bankverein
Delbruck & Co.	Deutsche Girozentrale - Deutsche Kommunalbank -
Dillon, Read Overseas Corporation	Effectenbank-Warburg
European Banking Company	First Boston (Europe)
Goldman Sachs International Corp.	Groupe des Banquiers Privés Genevois
Georg Hauck & Sohn	Hill Samuel & Co., Limited
Industriebank von Japan (Deutschland) Aktiengesellschaft	Kidder, Peabody International
Kreditbank N.V.	Kreditbank S.A. Luxembourg
Lazard Frères et Cie	Lazard Frères & Co.
Manufacturers Hanover	Merkel, Finck & Co.
B. Metzler seel. Sohn & Co.	Morgan Stanley International
Nomura Europe N.V.	Norddeutsche Landesbank Girozentrale
Österreichische Länderbank Aktiengesellschaft	Sal. Oppenheim jr. & Cie.
Pierson, Heldring & Pierson N.V.	PKBanken
N. M. Rothschild & Sons	Salomon Brothers International
Schröder, Münchmeyer, Hengst & Co.	Skandinaviska Enskilda Banken
Société Bancaire Barclays (Overseas) Ltd.	Société Générale Alsacienne de Banque
Société Séquanaise de Banque	Svenska Handelsbanken
Trnkhaus & Burkhardt	Verband Schweizerischer Kantonalbanken
J. Vontobel & Co.	M. M. Warburg-Brinckmann, Wirtz & Co.
Westdeutsche Landesbank Girozentrale	Wirtschafts- und Privatbank
	Yamaichi International (Europe) Limited
	Arnhold and S. Bleichroeder, Inc.
	Banca del Gottardo
	Bank für Gemeinwirtschaft Aktiengesellschaft
	Bankers Trust International
	Banque Française de Dépôts et de Titres
	Banque de l'Indochine et de l'Extrême Orient
	Banque de Neufville, Schlumberger, Mallet
	Banque Rothschild
	Banque Worms
	Bayerische Hypotheken- und Wechsel-Bank
	Berliner Bank Aktiengesellschaft
	Caisse des Dépôts et Consignations
	Commerzbank Aktiengesellschaft
	Crédit Commercial de France
	Crédit du Nord
	Daiva Europe N.V.
	DG Bank Deutsche Genossenschaftsbank
	Eurobank S.p.A. Compagnie Européenne Intermobiliare
	Robert Fleming & Co., Limited
	Hambros Bank Limited
	E. F. Hutton & Co. N.V.
	Kleinwort, Benson Limited
	Kuhn Loeb Lehman Brothers International
	Lloyds Bank International Limited
	Merrill Lynch International & Co.
	The Nikko Securities Co., (Europe) Ltd.
	Den norske Creditbank
	Örten Bank Limited
	Rothschild Bank AG
	J. Henry Schroder Wagg & Co., Limited
	Smith Barney, Harris Upham & Co. Incorporated
	Société Générale de Banque S.A. Suisse Bank Corporation (Overseas) Limited
	Vereins- und Westbank Aktiengesellschaft
	S. G. Warburg & Co. Ltd.
	Wood Gundy Limited

### COMPONENTS Vacuum unit for high voltage

REED RELAY switch ZV6K014A enables accurate and reliable on/off switching at high voltages—making it ideal for microwave ovens, copying machines, X-ray apparatus and any other devices that require high voltage on-off switching.

Contacts and moving parts are enclosed in an hermetically-sealed glass vacuum tube, and are triggered by magnetic flux. This configuration assures high reliability, since there is little to change contact resistance, often caused by the oxidation or deterioration of materials. It also makes it unnecessary to broaden the gap between the contacts—which is conventionally required for high voltage switching—thereby making the new switch very compact.

Conventionally air switches have been used for high voltage switching. However, they are easily subject to contamination by dust or gas, thus making their use hazardous in areas where there is a potential danger from sparks. Since the Matsushita switch is not affected by atmospheric conditions, it can be used in hazardous locations such as chemical plants, coal mines and cement plants without fear of explosion or fire.

The new Matsushita switch will be available in Europe on a receipt-of-order basis. Enquiries to Matsushita Electric, 2008 Radome, Osaka, Japan.

### Television sound chip

LATEST example of the way in which whole groups of functions in electronic equipment are being reduced to a single domino-sized integrated circuit "chip" comes from RCA, whose engineers have put a complete television receiver sound channel into the CA1190CQ.

The device includes a multi-stage intermediate frequency amplifier, FM detector and an audio output amplifier able to drive loudspeakers with impedance of eight, 16 or 32 ohms. Nominal output power is three watts and the unit will operate over a power supply range of nine to 28 V DC. In the quietest state the circuit takes only 25 mA.

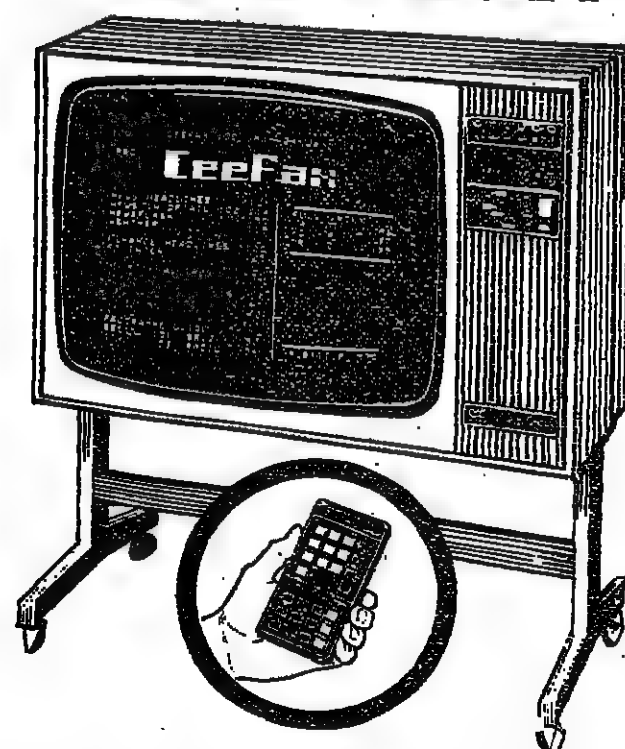
The use of a differential peak detector means that one tuned coil is required; the electronic volume control incorporates improved taper and single wire control. A 16-lead quad in-line plastic package is used, incorporating an integral heat sink for printed circuit mounting.

More from the company at Sunbury-on-Thames, Middlesex TW16 7HW (Sunbury 8551).

## FOR YOUR INFORMATION

this is much more than just a Colour TV Set...

### 'TELETEXT'



Another British first in television! Not only does the Bush Teletext receive all normal programmes, but this remote-controlled TV gives you — as it happens — up-to-the-minute news and other specialised information. The latest stock market prices, special events, sports results as and when they happen — the current weather picture, farming prices, recipes, shopping guides or TV programme schedules — all this information is at your fingertips. Simply punch out a number on the control handset to flash the complete index of information on to the screen and then make your choice. Information can be screened and recorded while you are out. There's even a facility for superimposing sudden newswatches at the bottom of the screen without interrupting normal viewing.

Teletext is an important aid for businessmen, stockbrokers, sportsmen and all those who need up-to-the-minute information.

**COMET Price £649.90 inc. VAT**

**SEE TELETEXT AT YOUR LOCAL BRANCH OF COMET**

BRANCHES THROUGHOUT THE UK.

هكذا منة الأجل



# The Management Page

EDITED BY CHRISTOPHER LORENZ

**WHY SHOULD** a company which came perilously close to collapse after a rash of takeovers ten years ago—when Britain's machine tool industry was hectically "rationalising"—now apparently want to set off down a similar track?

This is one of many questions about B. Elliott, one of the industry's best-known names, which has been prompted by this week's announcement that its latest acquisition, Newall Machine Tool, has now been integrated into Elliott's machine tool manufacturing division.

At the end of the 1960s Elliott faced some very severe financial problems. It had been given official encouragement to play a major role in the reconstruction of the U.K. machine tool industry. The plan was for it to become the country's biggest producer of standard machine tools—it had already established itself as the primary producer of standard milling machines. Elliott did indeed emerge in just such a position. Not only that, it made other acquisitions in order to give it a vertical structure ranging from the manufacture of components to the production of machine tools and on to the selling and factoring of its own and other people's equipment.

## Setbacks

But the group had neither the management team nor the right controls to cope with such a comparatively wide spread of interests gathered together in such a hurry. Before the Government-sponsored Industrial Reorganisation Corporation had decided along the acquisition path it was a relatively small public company and management control was highly centralised.

Elliott was therefore in no shape to cope when the inevitable recession struck the machine tool industry. Worse still, major changes were taking place in the world pattern of supply for machine tools.

There was—and is—an increasing tendency for the newer industrialised countries such as Spain and India to manufacture standard machine tools. These are countries with comparatively low labour costs.

This development not only closed up some of the better traditional markets for standard machine tools, but con-

## Why past traumas are no bar to a machine-tool merger

tained the added threat that the low-cost producers might themselves get a good foothold in Western Europe. Elliott had to face the fact that, even if it managed to survive the recession, its main market place would be dramatically altered and it must rethink its long-term future.

Two basic problems had to be tackled simultaneously. The group was highly geared, with borrowing well over 100 per cent of shareholders' funds—it was essential that liquidity be substantially improved. At the same time it was vital to stem its losses—predominantly on the standard machine tool manufacturing side—if the sound and profitable companies in the group were to survive.

Between 1968 and 1972 the number of operating subsidiaries in the U.K. was cut from 30 to 16, the number of factory locations from 13 to six and the number of employees from 3,700 to 2,000. Borrowings were reduced from 130 per cent to 60 per cent of shareholders' funds, and the loss-making stems were eliminated.

One of the men who initiated and supervised the slimming-down operation, Mark Russell, is now chairman and managing director. Mr. Russell, 50, joined the group when his family's foundry business was acquired during Elliott's search for component suppliers.

When the cut-backs were made there was not really a "master plan" because the directors had no alternative but to improve liquidity, and the timing of closures and mergers was dominated by, and geared to, the availability of cash flow to pay for them. "We closed a factory and hoped that would be the end of the problems. When we could see that there must be another closure, then we concentrated on that," says Mr. Russell. "It was painful, difficult and extremely unpleasant. I felt physically sick most of the time. But it was the only way to preserve the jobs of those who were left. I could see the whole group

crumbling if action was not taken."

Trade unions and employees co-operated fully, even to the extent that one factory maintained output at full stretch until the day it was closed. Mr. Russell maintains this co-operation stemmed from employees accepting the inevitable. "At each of the plants we closed everyone knew they were operating at a loss and that the order position was desperate. It was not like a wealthy company wanting to close down a division, it was life or death for Elliott." (In those days shareholders' capital and must trade within those limits—or go back to the centre and ask for more.

### Kenneth Gooding looks at the events which led up to B. Elliott's recent takeover of Newall Machine Tool.

funds totalled less than £8m. and the market valuation put on Elliott was under £3m. To-day net assets are worth £15m. and the stock market valuation early in March was £14m.)

The major emotional jolt for everybody within Elliott came when the original milling machine plant at Acton, West London, the biggest in Europe and the one on which Elliott's previous fortunes were founded, was closed in 1972. But that marked the end of the closure programme.

Management changes were also taking place during this period. From 1968 onwards the former chairman and chief executive, the late Jack Frye, started to decentralise the group operations and to increase the responsibility of other managers. Mr. Russell became deputy chairman in 1970 and in 1973 he was also appointed managing director. He became chairman in December 1975 after the sudden death of Mr. Frye at the age of 61.

There is now a total of 20 people at head office, where the basic function is to control the group's finances and to offer, through the company secretary, help for the subsidiaries with

major legal problems, insurance, pensions and so on.

Even the centralised selling organisation has been closed and this function pushed out to the operating companies. "If you are to attract the right sort of entrepreneurial managers you must give them responsibility for all aspects of their operations," maintains Mr. Russell.

Each subsidiary company is a profit centre and is allocated an agreed level of working capital at the beginning of the new financial year. That way every company has its own cash and

capital and must trade within those limits—or go back to the centre and ask for more.

The U.K. operations are split into four divisions: machine tool merchandising (Gate Machinery, Elgar Machine Tools and PMT); machine tool manufacturing (Butler, Snow, Elliott and now Newall); metal forming and plastics (the Press and Shear Machinery Company, Mortimer Plastics Machinery); and general engineering and foundries (S. Russell and Sons, Adams Bros. and Burnley and Halifax Rack and Screw Cutting Company).

The managing directors of each are among the six people reporting direct to Mr. Russell (the other two are the group secretary and the finance director). He spends about two out of three working days informally with the operating companies. "This time spent in the field is beneficial because I very rarely get a surprise—I can see the problems, or the reverse, developing at an early stage."

He admits: "It is also a weakness on my part because it helps me to understand the numbers when I have seen the plants." By the beginning of 1977

Elliott was once more growing and ready for the extra push that a takeover could bring. Unlike some of the companies which had been through similar traumas and decided to develop operations outside machine tool manufacturing, Elliott looked for the chance to increase its interest in its traditional business.

"In spite of the recent recession we have done well. With properly applied management skills and financial controls this is not a bad business to be in at all. And we think we can keep up the pace," says Mr. Russell. He also points out that during the past few bleak years, Elliott's trading profit has been about 10 per cent of sales and its trading surplus represented nearly 39 per cent of shareholders' funds.

There was limited scope for Elliott to increase its machine tool merchandising business in the U.K. without conflicts arising between the various overseas manufacturers that the group represents, or would hope to represent. The group actually started as a merchandising business and later added manufacturing. Last year merchandising contributed £20m. of the total £57m. sales. "It is an enormous advantage to have a successful merchandising business alongside manufacturing, because merchandising generates cash while manufacturing eats cash," maintains Mr. Russell.

The acquisition of Newall provided a chance to increase Elliott's interests in machine tool manufacturing and thus provide a better balance with the merchandising side. More important, it presented an opportunity for Elliott to increase the technological content of the machine tools it makes.

"We are particularly attracted to Newall because it has skills in engineering and is at the high technology end of the business. It would be difficult for Elliott to get into this part of the market by starting from scratch. For example, we certainly couldn't build the equivalent of the Newall facility for the price we paid (£3m.) and we could never find the people to fill it."

Mr. Russell said he took a very simple approach when deciding about the bid. "I was determined to get good management which was willing to join us because in this industry—with the skills and the knowledge involved—you need willing partners."

For Newall, which had not spent very much on re-equipping during the previous five years, the deal gave an opportunity to speed up expansion plans and to put more effort into research and development. Newall, while showing greatly improved profitability, was still highly borrowed and Elliott had the cash to inject immediately.

## Improvements

At the beginning of this month it was merged with the B. Elliott Machine Tool Manufacturing Division under a new chairman. The expanded division will have a combined output of £25m. per annum and the group Board has allocated it around £3m. for further improvements and additions to its production resources.

Expenditure of £800,000 has already been approved for equipment for Newall's plant at Peterborough and Newall is looking for more people to join its research and development team. Newall already had these plans in the pipeline and had made application for grants from the machine tool industry aid scheme.

That aid scheme is just one indication of the attention the Government, through the Department of Industry, has been given to the machine-tool



Mr. F. M. Russell, chairman and managing director of B. Elliott.

industry. For example, while the main reason for rescuing Alfred Herbert with a £25m. injection of State cash was to preserve the 5,000 jobs involved, the Department of Industry also had in mind the damage which would have been done to the U.K. machine tool industry's image around the world and the big gap that would have been left in production by Herbert's demise.

It follows that a certain amount of official attention was given to the proposed Elliott-Newall link-up and it received a qualified, behind-the-scenes welcome.

Newall would have fitted in with a number of other companies, including Herbert. But Herbert was in no financial state to contemplate an acquisition, even though some people outside the industry would have preferred to see Newall join the State-owned part of the machine tool business.

It is generally accepted in the relevant corridors of power at the Department of Industry and the National Economic Development Office, where machine tools are considered a key sector in the industrial strategy programme, that the merger should be good for the U.K. It gives the country a power in the

grinding machine tools business now, with Newall, Snow and Elliott Machine Tools concentrated in a strong and financially sound B. Elliott group.

The one remaining major problem for Elliott is the South African subsidiary, Goldfields Industrial Corporation, which is 54 per cent owned with the rest of the shares in the hands of the public. GIC has a steel rolling mill, two small machine tool factories and a merchandising division which in the past have done well and produced taxable profits of £2m. In the first half of the current financial year this was down to £200,000.

Once that is sorted out and more time has been given to the assimilation of Newall, Elliott would be ready to make another acquisition. This time, possibly to give more form to its general engineering division which takes in a modern iron foundry, a company involved in press work and another in rack and screw cutting.

Says Mr. Russell: "We would like to find a product for that division—at the moment the companies are involved in subcontracting—and our researchers are busy looking to see if there is something that would fit."

CHAMPNEYS, the exclusive health farm near Tring which is being sold off by the National Enterprise Board, is hoping to add tired businessmen to its traditional clientele of rich, middle-class ladies and wealthy Arabs.

Starting this week, Champneys launched a new executive health course aimed at helping top managers cope better with everyday stress. For up to 1500, slightly more than the usual Champneys guest pays because of the increased super-

## A wealth of healthy attention for £500

vision on the course, executives will be given the full health and fitness treatment for seven days amidst Champneys' idyllic country estate setting.

Unlike the old days at Champneys, however, this will not include the embarrassing—and often painful—crank cures which used to be so popular at

health farms. The programme offered by Champneys strictly follows established medical practice. The emphasis is on diet, fitness, and relaxation with the ultimate aim of changing the executive's life-style to avoid the stress-inspired diseases such as heart attacks.

Allan and Tanya Whewey, the couple who run Champneys, acknowledge that executive stress in itself is no bad thing. It can improve most managers' performance if handled in the right way.

The danger occurs when the unfit and overweight executive, who eats, drinks, and smokes to excess, is unable to cope with even a moderate degree of stress. It is for this group—which probably comprises the bulk of managers—that Champneys hopes to be able to reveal the path to a new healthy life.

Champneys only intends to allow one executive per company to join the course in any one week. This is because it is felt that the absence of colleagues is more conducive to a relaxing environment.

Each executive on the course, which will be strictly limited to a maximum of 12, will be subjected to both individual health treatments such as steam cabinets and massage, and group fitness training and relaxation

sessions. Practical advice is also planned on such occupational hazards for the businessman as coping with large lunches. As Champneys points out, very few—if any—business deals depend upon the quantity of food eaten at lunch!

Group sessions will also be held on the medical causes and effects of stress, as well as the psychological and pragmatic reasons for its being a problem. Al Murray, who runs the highly successful City Gym, also will expound the virtues of exercise. Jogging is fine, he says, but its main bonus is in improving the heart and lungs rather than increasing strength and mobility.

Champneys is not expecting the course to attract only executives from large companies; overworked entrepreneurs from small businesses are also likely to form a substantial proportion of those attending the course.

Many companies already send executives on Champneys regular health courses, sometimes offering a week's stay on the 170-acre estate as a "thank you" bonus for extra work. One major international company has a permanent booking, and sends a different executive every week.

Surprisingly, for an institution which has always been regarded as one of the bastions of high society, Champneys can now be considered in the more mundane role of a maintenance and repair "shop." After all, it suggests, few companies would treat sophisticated machinery worth tens of thousands of pounds in the same way as executives treat their bodies. Thus Champneys provides one way for companies to ensure that their investment in people is being repaid in full.

David Churchill

## Before you judge your staff, make certain you've got it right.

What's happening? The despatch department ran out of stamps before the last post. The chief clerk took two days to find an outstanding invoice. You may feel you are the only person without his head in the sand, but...

The head of the despatch department has been screaming out for a new franking machine. And your chief clerk, if only he could pluck up the courage, would insist upon a proper filing system.

The truth is that people work better when they are getting a charge out of their environment. And when they are dealing with time-saving, hassle-free equipment. Roneo Vickers can help you get it right. Right around the office.

We can help you improve the environment with Roneo Vickers chairs, desks, furniture and partitioning.

We can also give your staff the tools to do a better job... copiers, duplicators, storage and filing systems, business forms and Neopost mailing equipment.

Right around the office. Right around the world. We're getting it right so that people not only work better but also enjoy their work more.

You get it right... and so will your staff.



**Roneo Vickers**  
Right around the office

Find out more about the Roneo Vickers range. Phone 01-262 4331. Or write to Roneo House, London Road, Croydon CR9 2HA.

**Catch the sun daily in London.**

Only National flies non-stops Heathrow-Miami-Tampa and onwards seven days a week.

Contact your travel agent or National Airlines, 81 Piccadilly, London W1V 9HF (01-629 8272). National Airlines Inc. is incorporated in the state of Florida U.S.A.

America's sunshine airline.

**National Airlines**

**Viewdata and its business implications**

Public Conference: Greenwood Conference Centre, London May 18, 1978

In February of this year the Post Office announced that Viewdata is to be launched as a full nationwide service in early 1979. Viewdata is a new information service designed to serve the business community and the general public. It links two familiar pieces of domestic equipment—the telephone and television—to provide a revolutionary new medium for delivering services and providing information to the public.

The Deutsche Bundespost has bought the rights to use Viewdata (Bildschirmtext) and other national telecommunications authorities are showing a lively interest in this British innovation. Viewdata may become an international standard.

In Britain many of the most influential companies have become active information providers to the Viewdata service. Major banks are running experiments in payment by viewing a credit card number into Viewdata.

This public conference, the fourth in the series arranged by Butler Cox & Partners Limited in association with the Post Office, will be the first since the announcement of the public service.

The conference will be addressed by speakers from the Post Office, representatives of the information suppliers and TV set suppliers, and by outside commentators. It will describe the status of Viewdata, plans for its expansion, and the commercial considerations which have led major companies to invest in Viewdata.

No manager concerned with the provision or use of information can afford to ignore Viewdata.

Conference details and agenda are available from:  
Butler Cox & Partners Limited  
Morley House  
26-30 Holborn Viaduct,  
London EC1A 2BP  
Telephone 01-353 1138

**Butler Cox & Partners Limited**

**Business books**

**Price Determination and Prices Policy** by Joan Mitchell, George Allen and Unwin. H/B £5.50, P/B £2.95. The aim of this book is to discuss prices with prices policy in mind.

**Secretarial Management** by Josephine Shaw, MacDonald and Evans. £2.75. The aim of this book is to help executives at all levels to develop the secretarial function within their own organisation, so as to integrate the secretarial staff into the team.

**Industrial Advertising and Publicity** by Norman Hart. Associated Business Programmes. £7.95. This provides a comprehensive background against which sales-promotion campaigns may be developed and refined within the company's overall objectives, with special emphasis on greater profitability.



**BY JOHN GRIFFITHS**

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85															

Development's London Link International

"A SMASH HIT THIS MUSICAL HAS  
EVERYTHING" 5 Mirror  
CREDIT CARD BOOKING 836 6547  
SHAW THEATRE. BOOKS 01-388 1394  
Dr Arnold Wesker  
Frets. Tonight and Tomorrow 7.30.  
All seats £1.00. Opens Mon. at 7.00.

6.45.	8.50.	Late Show Sat.	10.30.
2. THE GOODBYE GIRL (A).		Progs	
12.45.	2.45.	5.25.	8.05.
Late Show Sat.		10.30.	
10.45	3. IPHIGENIA (A), 12.45.		
5.55.	8.30.	Late Show Sat.	11.05.
4. Woody Allen, Diane Keaton Double			
8-H SLEEPER (A).		2.35.	5.50.
LOVE AND DEATH (A).		1.00.	4.15.
7.30. Late Show Sat.		10.40.	



Cinema

# A surreal thriller

by NIGEL ANDREWS

**The American Friend (AA)**  
Gate Two  
Studio 3,  
Odeon, Chelsea

**Iphigenia (A)**  
Ritz

**MacArthur**  
—The Rebel General (A)

**Full Circle (AA)**  
Plaza 1

Wim Wenders is one of the *underground* directors of the New German Cinema. His name and fame lag a little behind those of Fassbinder and Herzog, because he has a more diffident, slow-fuse style (vide *Alice in the Cities* and *Kings of the Road*), and because his work is less picturesquely (or ostentatiously) non-conformist. Wenders is fascinated as much by victims as he is by heroes, by those who succumb or despair or simply carry on as by those who triumph or rebel.

His new film, *The American Friend*, is based on a Patricia Highsmith novel and looks at first like a Hollywood thriller in which the machinery has run down. The rhythm is so broody and out-of-joint, the pace so slow, that, on first viewing, the film's obscurities and loose ends exasperate. (Not to mention the odd enrolment in the cast list of a host of Famous Directors—Nicholas Ray, Samuel Fuller, Daniel Schmid, Jean Eustache, etc.—seemingly constituting a paragon game for film buffs.)

But a second viewing works wonders. One starts to take the film for what it is—a typical Wenders tragicomic of human doubt and helplessness (laced with movie-mania for those willing to pick up the allusions)—and to discard one's Hitchcockian expectations of streamlined suspense and slick denouements.

Highsmith's fortune-hunting protagonist Tom Ripley, veteran hero of many of her novels, surfaces here in the quirky, downbeat, mannered person of Dennis Hopper. This under-world knight errant's latest sideline is trafficking in fake art works, and through this he meets a down-at-heel Ham-burg picture-framer (Bruno Ganz) with whom he is soon involved in a bizarre murder plot. Ganz has been hired by an itinerant gangland smoothie (Gerard Blain) to dispose of two victims in return for a 250,000-mark fee. Believing that he is dying of an incurable blood disease, Ganz accepts the job to secure his wife and child's future.

The murders are duly committed (Hopper helping out with the second) and then—within the sight of the film's ending—the plot and the characters suddenly start to behave as if they have

been short-circuited. The story splutters, stops, rallies, and then explodes into incomprehensibility: I defy anyone to follow the film twist by twist up to its final minute. But by that time it doesn't matter—the spell has been cast. Wenders has transcended the pulp-fiction world from which he and Highsmith started out, and escorted the characters into his very own empyrean of comedy, bewilderment and melancholy panic. The surreal disorganisation of the finale—a shot gangster, a blown-shackle flat with the labyrinthine modernity of airports or tube and railway trains (where the murders take place) that Ganz's motivation for the crimes seems less the money than a sudden, whirlwind romance with the outside world; the break-out of a closet libertine and romantic.

No less entrancing is Wenders' handling of his actors: a delicate choreography of their ties and mannerisms that gives the film a behavioural richness unequalled in recent cinema. Hopper's air of manic deliberation meshes so neatly with Ganz's droopy, ingratiating (he even falls half-asleep while waiting for his first victim in a tube platform) that the intimacy between the two men grows into a kind of platonic adultery: giving an added pliancy to the wife's distress at Ganz's mysterious absence. The weak link in the film, ironically, is the wife (Lisa Kreuzer), who seems less a character here than a function, on hand to register wifely dismay and bewilderment whenever her husband departs or a mysterious packet of money comes through the post. But one weak link is permissible in a chain elsewhere as strong, glittering and characterful as this. It opens at the Gate Two cinema this week and must be seen.

Michael Cacoyannis's *Iphigenia* is the third in the Greek director's trilogy of films based on plays by Euripides. Like *Electra* and *The Trojan Women*, it transplants the Athenian playwright's world from darkened amphitheatre to bare, rocky, sun-drenched location; here telling the story of how Agamemnon's daughter was sacrificed so that the gods would give fair winds to drive the Greek ships to Troy. The film begins powerfully—a slow, impressionistic montage depicting the tattered indolence and demoralisation of the Greek army as they wait to sail—but once the "text" gets underway, the old Cacoyannis weaknesses come to the fore: gesture and visual rhetoric substituting for drama, the picturesque for the meaningful. The film is neither a faithful record of a stage performance nor a truly imaginative reworking of Euripides for our own time; and although Cacoyannis conjures fine performances from Irene Papas as Clytemnestra and Tatiana Papamoukou as Iphigenia, he gives them little more than a vast, scenic schamber in which to display them.

"Old soldiers never die," said General MacArthur, "they just fade away." Or they are embalmed by Hollywood. MacArthur—The Rebel General



Dennis Hopper

is a military biopic built on the pattern of Patton; a half-sceptical, half-reverential portrait of an indomitable war-horse to whose courage and strategic flair America owed much of her World War Two glory. In both cases—Patton's and MacArthur's—the warrior overreached and had to be checked, Coriolanus-like, by the nation he had served and saved. Judgment in their stories is thereby savoured with personal tragedy, and the susceptible filmgoer thinks he is getting a complex, multi-dimensional view of history.

He is getting nothing of the sort. MacArthur is as papier-mâché a slice of history as any of its more unassuming predecessors, and looks to have been made with more attention to keeping down the cost than keeping up the quality. Ill-matched stock footage and ill-applied make-up (Dan O'Herlihy and Ed Flanders are remarkable look-alikes of Roosevelt and Truman respectively—until close-ups reveal the all-too-visible putty) jostle with cut-price battle scenes. None of which would matter (so much) if Gregory Peck's performance as MacArthur could carry the day. He does his best; but at least two of the more obvious and double-edged qualities that made MacArthur what he was—fascism and bloody-mindedness—

are wholly missing from Peck's repertoire.

Full Circle, an Anglo-Canadian thriller starring Mia Farrow, begins in such fine, frisson-filled style that one's heart bounds with premature optimism. A mother, played by Miss Farrow, accidentally kills her own daughter (by some panic surgery with a table-knife) while trying to save her from a choking fit. The mother recovers from the shock only, over ensuing weeks, to project her grief and anger onto her husband (Keir Dullea). She buys a house in Holland Park, barricades herself against him and other visitors (except for best friend Tom Conti and sister-in-law Jill Bennett) and then discovers, to her understandable dismay, that the house is haunted by a little girl strangely resembling her own daughter.

It is at this point, alas—just when the film has won our confidence and involvement—that everything begins to go wrong. The plot starts tacking all over the place, involving distressed mediums, mutilated boys and mad old ladies; characters are murdered with wondrously forgotten about; and Miss Farrow, hitherto resourceful and moving in the main part, is reduced to duplicating in semaphore her mad-eyed wail role from Rosemary's Baby. The film's director was Richard Loncraine, its writer was Dave Humphries, and the next time they collaborate on a thriller they should perhaps try and make do with one plot rather than three.

Festival Hall

## James Galway

by NICHOLAS KENYON

Roll up! Roll up for the Great Galway Show! See the Great Galway perform death-defying leaps of facile brilliance! Watch him nonchalantly flick open the button on his velvet jacket just before the cadenza! Laugh as he jovially ribs the violinists during the tutti, and slumps wearily onto his stool with an implacable smile! Hear him as he raises the art of self-

advertising superficiality to new heights! The Great Galway will—with no more than a few knowing winks—transform the dark and mellow colours of Mozart's Clarinet Concerto—no, not into the even darker sounds of the basset horn for which it was intended, but into the shrill and cheerful chirruping of the golden flute!

Also appearing: Eduardo Mata, the London Symphony Orchestra, and a really rather good performance of Dvorak's Eighth Symphony.

Book Review

## Film Times

*America in the Dark* by David Thomson. Hutchinson, £5.95, 288 pages

David Thomson, the biographical blurb informs us, "was born in London in 1941, the year Citizen Kane was released." No birth date could have been more prophetic. Thomson devotes a whole, long chapter to Orson Welles's film in his new book of film criticism and he clearly sees it as the archetypal Hollywood movie: double-edged and fascinating in its love-hate affair with the wealth, the power and the glory incarnate in its central character—and in the personality of Hollywood itself.

Thomson is the best British film critic around, to my mind, and this book should prove the fact to waverers and sceptics. It is part autobiography, part criticism. Thomson begins with an account of his childhood in South London, where cinemas were among the few giant land-

marks relieving the endless suburban sprawl. As palaces of magic, they seemed to him to partake sometimes of rapturous enchantment (sometimes of sly and reprobate trickery). This ambivalence in the nature of cinema is the theme of the book, and it is brilliantly explored in a series of chapters on different movie genres (the gangster film, the romance) and on the different components of the film-making act itself.

The most refreshing strand running through the book is the writer's enlightened attitude to the "auteur" theory. Thomson is well aware that the system, not the individual, has always reigned in Hollywood and that the exaggeration of [the director's] power is one of the more serious fallacies misleading the study of Hollywood to-day. He acidly observes that "it suits some young critics to build elaborate interpretations of films that may have been made by men aghast at the silliness of their

material and their colleagues." On the other hand, Thomson also regards Hollywood popular cinema as the fount from which almost every film-maker in the non-American world has drunk and drawn inspiration. The process and habits of filmmaking itself in its popular heyday were intimately bound up with the effect of individual films: the darkened house, the simultaneous sense of communal response and personal solitude, the vast rectangle of light before which the filmgoers sat like religious votaries. Television, as Thomson rightly points out, is by comparison a dispassionate, frame-meaty medium: its impact more ephemeral, its hypnotic power less potent. If the future lies in the small screen, as advancing technology and declining movie audiences indicate, then here at least is a book that commemorates and crystallizes the filmgoing experience for future generations.

NIGEL ANDREWS

## English National Opera deficit

The English National Opera has just ended its financial year with a deficit of £100,000. Poor audiences during the spring provincial tour of 1977, and industrial troubles in the autumn, accounted for the shortfall, which is not affecting plans for the 1978-79 season. Four new productions are to be presented as well as a tour, the only two areas in which economies can be made.

Attendances in 1977-78 averaged 80 per cent of capacity, a slight rise on the previous season. Productions which attracted houses of 95 per cent or more were *The Magic Flute* and *Stegfried*, both with 97 per cent, *La Traviata*, *The Valkyrie*, *Rigoletto* and *Carmen*. The major disappointments tended to be the new productions, especially the commissioned opera, *Toussaint*, which only managed an average audience for its three performances of 38 per cent. However two other performances were cancelled, when interest was starting to increase. Another new production, *Julietta*, attracted an audience of 53 per cent.

The four new productions for 1978 are *The Seven Deadly Sins* by Weill and Brecht which opens on August 23 in a double bill with Gianni Schicchi; *Aida*, with a first night on October 18; *The Marriage of Figaro*, starting on November 22; and *The Adventures of Mr. Brown*, by Janacek, which has a December 28 premiere. In the *Seven Deadly Sins* Julie Covington plays the part of Anna as a singer, and Siobhan Davies plays

Anna as a dancer. The conductor is Lionel Friend, who is new to the Coliseum; the producer Michel Gelbot, and the designer Ralph Koltai.

For *Aida*, Sir Charles Groves will be conducting and the cast includes Josephine Barstow as *Aida* and Elizabeth Connell as *Amneris*. Sir Charles is also the conductor of *The Marriage of Figaro* which will be produced by Jonathan Miller.

To meet rising costs seat prices at the Coliseum are to be increased, and other ways of raising cash, such as industrial sponsorship and lotteries, investigated. Both the Arts Council and the GLC have raised their help in line with inflation. In 1977-78 the Arts Council gave the ENO £2,940,000 and the GLC, £220,000.

ANTHONY THORNCROFT



Paola Dionisotti and Jonathan Pryce

Royal Shakespeare Theatre

## The Taming of the Shrew

by B. A. YOUNG

When I can believe in it, I find *The Shrew* a very unattractive play. Of Michael Bogdanov's modern dress production for the RSC, I believed only the first two minutes, for he has inherited the opening used by his predecessor at the Young Vic. As we settle in our seats, the theatre staff are arguing about the stalls, drinking beer from a bottle and speaking some very un-Shakespearean dialogue. Not until he has found his way to the stage and started a riot that utterly destroys the disappointing deus ex machina of Christopher Sly, the linker for whose benefit the subsequent romance is to be performed.

When the new scene is set, an unrepresentative affair by Christopher Dyer consisting mostly of open iron staircases. Sly moves with the other characters, still a little un-Shakespearean. He has already disposed of his "wife." He also disposes of himself in the first scene, sinking away after his favourite line: "It's a very excellent piece of work, would'twixt none."

The play continues on a highly farcical level, but now keeping faithfully to the text between the slapstick adornments, I was able to believe in it only as far as I can believe in Feydeau, but itself cause the company proves itself so adept at the farcical style, I never felt that embarrassment which force offenders when it is impossible. Paola Dionisotti plays

Kate, apt casting with her Jack Hubert profile. She makes her first entry with an incoherent yell. The barbed wire stretched over Baptista's gates might have been put there as much to keep her in as to keep her sister's suitors out.

Her own suitor enters on a motorbike, Grumio on the pillion. They are a fine couple, Jonathan Pryce as confident as a politician and as casual as a punk rocker. David Suchet confirming the fine impression he made as Caliban on Tuesday with a Grumio that might have come from Moliere. Mr. Pryce makes his Kate smile too early in his wooing when he picks up an ornament from Baptista's desk and uses it as a microphone; but she does not smile much thereafter, for she is absolutely lame after her short sharp honeymoon, and when she delivers her great anti-Women's Lib speech after her sister's wedding it is clear she is lost for ever.

Her sister Bianca is Zoe Wanamaker, easily approachable by the right man, who is Anthony Christopher Sly with a pantomime house posture instead of his Honda.

The story, or rather the stories, of *The Shrew* are so fantastic that there is ample justification for playing it this way, as long as it is done as expertly as it is done here. Mr. Bogdanov has, however, not found a way out of the Christopher Sly problem. Shakespeare simply put him to sleep and forgot about him. In Shakespeare's immediate source, Sly has dreamed the whole thing. Sly doesn't say so in this production which ends as Shakespeare ended it, with the men congratulating themselves; but this is as good an explanation as any—if you must have an explanation of such a joyous evening.

Mr. Bogdanov is up to all sorts of tricks. He marches a military band around the stage. He finds an opportunity for Tranio and Lucentio to be discovered in a café with their trunks open. He gives Baptista (nicely played by Paul Brooke, who knows how to be funny when he is doing nothing) an electronic calculator with which to reckon the relative values of Bianca's suitors. It catches fire

when Tranio adds his contribution. The guests at Kate's delayed wedding shiver beneath umbrellas until Petruchio arrives disguised once more as Christopher Sly with a pantomime house posture instead of his Honda.

The story, or rather the stories, of *The Shrew* are so fantastic that there is ample justification for playing it this way, as long as it is done as expertly as it is done here. Mr. Bogdanov has, however, not found a way out of the Christopher Sly problem. Shakespeare simply put him to sleep and forgot about him. In Shakespeare's immediate source, Sly has dreamed the whole thing. Sly doesn't say so in this production which ends as Shakespeare ended it, with the men congratulating themselves; but this is as good an explanation as any—if you must have an explanation of such a joyous evening.

## Leading actors from abroad

France's legendary film and stage actor Jean Marais, and the equally distinguished Russian born actress, Lila Kedrova, are to play the leading roles in the Paris production of Jean Cocteau's *Les Parents Terribles* to be given at The Old Vic Theatre for one week from May 22-27.

Cocteau's play, first seen in Paris in 1938, is enjoying a successful revival in France,

and it is this current revival which will come to The Old Vic from the Théâtre Antoine, Paris. Jean Marais who played the part of Michel in the original production and who now plays the father, Georges, has not appeared out he English stage before.

Lila Kedrova was born in Leningrad and most of her stage career has been in Paris. She won the Evening Standard Drama Award in London for her part in the Prospect Theatre production of *The Cherry Orchard*. She also won an Oscar for her part in *Zorba the Greek* and is perhaps equally well known for a famous vignette performance in Hitchcock's film *Torn Curtain* as the woman in the coffee shop trying to escape to the West.

American actress Sylvia Miles will play a leading part in *Wexler Corré*, the latest Tennessee Williams play, which receives its British premiere at Nottingham Playhouse on May 11.



Don White, International Division

Don White will be at the Budapest Fair from May 17-25.

Come along and talk to him. He can give you a lot of good advice and help you get the most out of the Fair.

You'll find him in "EBIC House,"

Open Space Area No. 1—next to Hall A. Telephone: 834-339, 834-763. Telex: 22-4690.

But if you'd like to speak to someone in this country regarding overseas trading in general, contact the Panel for Overseas Trade Development at 01-606 9944.

We deliver.



Midland Bank International

Midland Bank Limited, International Division, 50 Gracechurch Street, London EC3P 3BN. Tel: 01-606 9944.



## FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF  
 Telegrams: Finantime, London P54. Tel.: 083541/2, 083537  
 Telephone: 01-248 3000

Friday May 5 1978

# The NEB and the Tories

SIR LESLIE MURPHY, chairman of the National Enterprise Board, is trying to persuade the Tories not to tamper with his organisation if they win the next election. In his statement to the 1977 annual report, Sir Leslie gives a strong defence of the NEB's role and argues that the lack of consensus between the political parties on industrial policy may have been a factor in the U.K.'s poor economic performance. Whether this will impress Mrs. Thatcher and her colleagues remains to be seen. What is certain is that the NEB has done none of the things which its left-wing sponsors hoped it would do. They wanted it to extend public ownership into profitable manufacturing industry and use its holdings in large, successful companies to bring about a substantial increase in capital investment. In practice the NEB's activities have been more modest. It is trying to fill some of the gaps which it thinks exist in the financial system and, as Sir Leslie puts it, to build a "bridge" between state ownership and private entrepreneurial activity.

## Rescues

So far the NEB's activities have fallen into four main categories. One is to look after the companies which were bequeathed to it as a result of past government rescues. These include British Leyland, Rolls-Royce, Alfred Herbert and Ferranti, although the last-named is now capable of standing on its own. Secondly, the NEB has conducted some rescues of its own; its investment in the tanning industry is one example. Third, it sees itself, in the words of Sir Leslie's predecessor, Lord Ryder, as "the action arm of the industrial strategy." It is prepared to help in restructuring certain sectors, or, as in computer software, in strengthening the position of British-owned companies in export markets. Fourth, and least expected, is the support for small companies; of 29 subsidiary and associate companies listed in the annual report, two-thirds employ less than 500 people.

The Tories must consider whether it is sensible for all these functions to be vested in a single organisation. In terms of assets, and employment, the NEB's portfolio is overwhelmingly dominated by British Leyland and Rolls-Royce. No doubt it is convenient for these two companies (especially Rolls-Royce) to have a sponsor and ally in their dealings with Government departments, but it is not obvious why they

should be treated differently from, say, British Aerospace or British Shipbuilders, which are supervised by the Department of Industry. The Department still has to work closely with the NEB in relation to Leyland and Rolls-Royce; it has provided some of the funds for Leyland under Section 8 of the Industry Act, while decisions on new aero-engine programmes, because of their cost, inevitably involve the Government.

An agency outside the Government machine may be needed to negotiate a rescue operation, but it does not necessarily follow that that agency should become a giant holding company with a permanent responsibility for supervising the investment. Companies as large as Leyland and Rolls-Royce should be capable of handling their own relations with Whitehall without the need for an intermediary.

At the other end of the scale the Tories should take a sceptical look at the NEB's support for small firms. Given the NEB's "strictly commercial" investment policy, it is hard to believe that most of the small companies in which it has invested could not have obtained funds from private-sector institutions which specialise in this field. Sir Leslie points out that in some cases the NEB works closely with the Industry Department whose ability to give concessionary loans or grants, on top of NEB equity, constitutes "an attractive financial package" but the Department can presumably do this just as easily in association with equity finance provided from the private sector.

## Guidelines

As for the rest of the NEB's activities, it seems likely that a Conservative government, even under Mrs. Thatcher, will from time to time wish to intervene directly in industry, whether for rescue or "strategic" purposes. Such intervention is probably better handled by an agency like the NEB than by a government department; it could, for example, take over whatever the Tories decide to keep of the Department of Industry's functions under the Industry Act. To abolish the NEB, in another guise, as the Heath government did with the Industrial Reorganisation Corporation, would be absurd. With different guidelines and different powers, the NEB can be a useful instrument for any government, but it should not take on tasks which other bodies are better fitted to perform.

# Crises of confidence on Rhodesia's battlefields

By MARTIN DICKSON, recently in Rhodesia



Two faces of the struggle against the Rhodesian guerrillas: a white civilian farmer's wife keeps up her Sunday morning



a black soldier undergoes heavy weapons training, while a handgun practice in the north-eastern operational area.

THE tragicomic dismissal of Mr. Byron Hove from Rhodesia's new Transitional Government has already delivered a serious blow to the credibility of this body. If the alliance survives, an even tougher test is looming—its claim that it can wind down the guerrilla war.

The most immediate task facing Mr. Ian Smith and the three domestic nationalist leaders who have joined him in government is to find some face-saving formula that will hold the alliance together following the sacking of Mr. Hove, Joint Minister of Justice and a member of Bishop Muzorewa's United African National Council.

The Bishop claims the three other members of the Executive Council, now Rhodesia's top governing body, acted unilaterally in dismissing Mr. Hove. The others deny this. But Bishop Muzorewa has threatened to withdraw the UANC from the Government unless Mr. Hove is reinstated.

Predicting the course of Rhodesian politics is fraught with dangers. Who would have imagined that the Executive Council would have blundered so badly over Mr. Hove at a time when it needs to muster all the international credibility it can? But the chances are that Bishop Muzorewa will stick with the Rhodesian internal settlement agreement signed on March 3.

With the guerrilla armies of the Patriotic Front still posing a very serious threat to the internal settlement, the Bishop needs Mr. Smith as much as Mr. Smith needs him.

Assuming that the Salisbury Government does survive, its most urgent task will be to make good its call for a ceasefire, made in a statement this week. Contrary to expectations, the details of the ceasefire have not yet been made public.

The vagueness of the ceasefire call has already been criticised by Bishop Muzorewa's United African National Council.

Although it will be a bitter pill for the whites to swallow, army officers as well as the black parties acknowledge that an amnesty is vital if the guerrilla threat is to be reduced.

Even with an amnesty, it is impossible to say just how many of the 8,000 to 10,000 or more guerrillas now unofficially estimated to be inside the country will respond. Most of them belong to Mr. Robert Mugabe's ZANLA army and it is from here that the Transitional Government is most likely to collect returnees. Many of these guerrillas are thought to have left Rhodesia for training in the belief that they would be fighting for the Bishop, and some may still be loyal to him. Others may be tired of fighting when majority rule is so patently on the horizon, or disillusioned with internal feuds in Mr. Mugabe's party.

However, there must be doubts whether this will significantly reduce the ZANLA presence inside Rhodesia. Mr. Mugabe has many more men waiting in the wings in Mozambique, and would not doubt want to use them to make up the loss of defectors.

## Second army

Nor are there any signs that the amnesty will have much impact on the second guerrilla army—Mr. Joshua Nkomo's ZIPRA. Mr. Nkomo is biding his time. He has committed far fewer soldiers to Rhodesia than Mr. Mugabe but he has a well-trained force in Zambia, estimated to be at least 8,000 strong and growing all the time. His army, recruited from among the Ndebele tribal group, has particular personal loyalty to him and will probably therefore be less subject to the divisive tendencies within Mr. Mugabe's army, which is drawn from a range of Shona tribal sub-groups.

An amnesty, therefore, seems to have little chance of ending the war, which now affects most of Rhodesia in some way. It is often difficult outside Rhodesia to appreciate just how extensive the war is, partly because the Government's censors do not encourage reports liable to spread alarm and despondency among whites, partly because the guerrillas operate mostly in the tribal trust lands, hidden from sight.

The position has changed dramatically since I was last travelling in the Rhodesian countryside three years ago. Then you could drive happily on all roads, except those in the far North-East. Now you can never feel entirely safe outside the towns. Then there were only about 30,000 Africans living in protected villages in the North-East; now there are

estimated to be 500,000 in villages across the country and new villages have been built only in the past few months.

But to say that the war is geographically extensive is not to say that the guerrillas are anywhere near victory. They are not. It can be argued that guerrilla wars by their nature are rarely won or lost—that they are usually ended by political means or by becoming a more conventional battlefield struggle, as in Angola (and Mr. Nkomo's army appears to be trained for such an eventuality).

I could not obtain a detailed overall picture of how the war is going. The Rhodesian Government said no one had the time to give me a military briefing. The impression left was of a reluctance to speak. However, I was allowed to visit a military base in the Chipinga area in the south east (accompanied by a government official armed with an FN rifle in case we were attacked) and, though not necessarily a reflection of conditions elsewhere, the military situation around Chipinga is instructive.

Lying close to the border with Mozambique, Chipinga is described as a relatively "hot" area—in getting there you are advised to travel in the daily, armed convoy. It is a transit area for guerrillas passing through to the tribal trust lands around Fort Victoria, but there are estimated to be some 400 guerrillas on the ground, alone in the Chipinga military area, roughly 60 miles wide by 90 long.

Military sources say there has been a build-up in the number of ZANLA guerrillas in the area in recent months (though less than expected) and that they are now sometimes moving around in larger bands of up to 40 or 50 rather than 14 or 15 men. But they say these groups are poorly trained (often less effective than the smaller groups) and frequently seem to have no clear

objectives. While some are highly dedicated, the morale of others is said to be low. The larger groups also have greater difficulty living off the land. The Rhodesian security forces are outnumbered by guerrillas in a few areas (according to the local war manual there should be 10 combat soldiers in the field for every guerrilla) but the military say the guerrillas cannot control these areas because of their poor quality.

In some tribal areas, the guerrillas have "subverted" the local population, who will now be prepared to help them, for instance by cutting telephone wires. But in other parts the tribespeople are said to be disillusioned with the guerrillas, partly because their schools have had to close—up to January this year, the authorities said that 287 schools had been closed countrywide.

Despite their numbers, the guerrillas may not be very effective, but there is at least one pocket in the Chipinga area—a tribal trust land—which the Rhodesian civil authorities are now reluctant to enter except under heavy military escort. "You won't catch me going there," said one local official. "It's no longer Rhodesia, it's already Zimbabwe," he added, only half-jokingly.

## Military service

If the guerrilla war does not wind down, the Rhodesian army seems certain to face serious morale problems as December 31 approaches, the day Mr. Smith is committed to the installation of a black Government of Zimbabwe. Already, across the country, local government officials and military officers, you hear mutterings that white Rhodesians will not be prepared to

hard. Over and over again, whites have been putting forward the same argument: if Hove is prepared to make such an outrageous statement now, what on earth will the blacks do when they assume office?

So Mr. Hove was slapped down. But what this move ignores is that it is not merely Mr. Smith who has to retain white confidence. As Mr. Hove was only too well aware, blacks too have to be convinced that the internal settlement is worth supporting—to be given signs that some of their inflated expectations over majority rule are going to be fulfilled. The Hove affair is bound to affect the black attitude to the internal settlement.

It will also affect the international credibility of the internal agreement, probably reinforcing the British and American view that there can be no question of recognising the pact, at least until it has been shown to gain the support of the majority of Rhodesians in free and fair elections. And it is hard to see how these can be held and be internationally accepted while the war continues. There might be an acceptable poll in the towns (although rising tribal tensions could lead to violence), or among African labourers on white farms and in the "protected villages" where at least 13 per cent of rural blacks now live (although the world might disbelieve that elections in these villages could be fair). But staging elections in the tribal trust lands, where the majority of blacks still live and guerrillas roam, would be a very difficult task.

Britain and the U.S. are still trying to get the various parties round the same conference table, but even if they succeed chances of agreement are very slim. The Rhodesians still hope that Mr. Nkomo might be detached back to Salisbury. There are thoughts of this too in London and Washington.

But the internal parties can only offer him an equal place at their table and elections which he seems unlikely to win. He may well feel—unless pressures can be exerted on him—that the chances of gaining power through the barrel of a gun are somewhat better.

Barring Mr. Nkomo's return, it is hard not to be pessimistic about Rhodesia. At present, whites are adopting a wait and see attitude, hoping for a good settlement but secretly fearing civil war. The hope is that reason will prevail and Zimbabwe will not be born in further bloodshed, but the history of Rhodesia since UDI shows that reason and brotherhood—on both black and white sides—are rare qualities in this part of the world.

# Rail investment problem

THE LATEST report of the British Railways Board combines encouraging news about the progress made in 1977 with some rather less encouraging warnings about the difficult problems still to be overcome in the medium-term future. First, the good news. The subsidiary operations all did well, especially the shipping division, which earned a record surplus. The loss on the freight and parcels business to be met by grant was cut from £27.5m. to £5.5m., considerably less than the limit set by the Government.

The number of passengers carried rose, despite the recession and the drop in real incomes, and the compensation which the Government had to pay for the provision of socially desirable but commercially unattractive operations was well below the figure originally agreed. All in all, the Board's operating surplus before interest rose from £13.7m. to £68.4m. It is a pity to have to add that the profit of £27m. shown in the accounts on a historical cost basis at the Hyde guidelines, to a loss of £128m., mainly because of the need for additional depreciation provisions.

There are two problems with which the chairman, Mr. Peter Parker, is principally concerned in his commentary. The first is the future of the loss-making provincial lines, on some of which action is already urgently necessary.

## Electrification

Mr. Parker points out that although the Railways Board has worked reasonably well with the Metropolitan Counties through the medium of the Passenger Transport Executives, it has not always been easy to reconcile their wishes with the Board's own planning arrangements. Despite the urgency of the provincial services problem, therefore, he is relieved that further discussion is to take

place before deciding whether or not to strengthen the powers of the non-metropolitan County Councils.

The second problem, and much the more serious, is that of future investment. In the long-term, an important aspect of this is the possible need for a great extension of electrification. The case for this rests partly on the fact that oil is likely to become steadily more expensive—and planning would have to begin now on an electrification programme to be completed around the turn of the century—and partly on other economic and social grounds. In the past, the Board has not been able to justify the heavy capital cost of further electrification on normal investment criteria. It is now preparing new estimates, however, which the Government has undertaken to consider: the Board itself believes that the prospects for "large extensions" to the electrified network are very good.

## Replacement

There is, on the other hand, a serious medium-term investment problem to be faced. The new equipment installed in the late 'fifties is now rapidly approaching the end of its useful life, and official restraints on new investment spending have already led to considerable arrears of replacement. The chairman estimates that if the present Government-imposed ceiling on investment were to be lifted, the level of spending would have to rise by 30 per cent, during the 'eighties and be held at the higher level for several years: the earlier the replacement programme begins, of course, the easier it will be for the equipment manufacturers to handle. The Treasury, with its experience of past railway investment programmes, will approve of Mr. Parker's remark that "we might justify more investment if it were to generate more cash."

# MEN AND MATTERS

## Jungle journey amazes Brazil

The 80-year-old multi-millionaire, Daniel Ludwig, whose intention to build a huge oil refinery at Niag Bay, Scotland startled the oil world, is also astounding the Brazilians this week. They have watched two huge rafts—one carrying a fully-constructed pulp-processing plant, the other a thermoelectric power plant—being towed up the Amazon River. The rafts, each more than 700 feet long, are heading for Ludwig's remote Jari estate, which covers 9m. acres.

The plants and rafts were built in Japan, at a cost of \$200m., and have been towed across the world to Brazil. In many ways the Jari scheme is as bewildering as the £220m. Scottish refinery, which many oil men say will have vast unwanted capacity. But the rarely-seen Ludwig can afford such ventures: his personal fortune is said to be £1.6bn.

Once the rafts reach their Brazilian destination—a specially-flooded area of the Munguba River—the plants will be placed on sleepers. The area will be gradually drained until they come to rest on solid dry foundations.

But few people will see these pioneer factories in operation. Jari Enterprises, which include rice, cattle ranching, forestry, bauxite and china clay, are strictly off limits to the Press, whose efforts to paddle their way in or feign engine trouble in small aircraft have been blocked by Jari's armed guards. Any Jari employee who discusses the company's activities with the Press is liable to dismissal.

Having received full Brazilian Government benefits on the import of the pulp plant, Ludwig is committed to exporting a minimum of \$616m. worth of pulp starting next year, when

the plant goes into production. His china clay enterprise is being watched keenly by English China Clays, since he plans to export his "Amazon-88" clay in large quantities and fully supply the Brazilian market, where ECC would like to gain a foothold.

## Art out yonder

Sir Robert Sainsbury has doubtless been listening carefully for student reactions as the summer term has begun at the University of East Anglia (UEA) in Norwich. The awe-inspiring Sainsbury Centre for Visual Arts, which houses his family's priceless art collection, was opened two weeks ago on the UEA campus. Sir Robert's great hope—that students will find inspiration from the works in the centre—is now to be fulfilled or dashed. First indications are not entirely promising.

The world's art critics have paid tribute to Sir Robert's generosity and his impeccable taste. But throughout the University, a controversy has erupted which raises serious questions about the design and setting of the centre, and threatens its usefulness for the student community.

The designer was Norman Foster, who also created the Pompidou Centre in Paris. Once again, he has conceived a staggering vision: it is a £3m. glass and aluminium shell, 130 metres long and 35 metres wide, which would perhaps look more at home at British Leyland's Longbridge plant. He has set this unique showpiece as the most remote corner of UEA's vast rural campus.

His logic is impeccable: UEA's Art faculties are at the front of the campus, with the Science faculties set behind. To put the centre at the campus entrance would have been to create an "arts ghetto," giving science students a cultural cold

shoulder. By setting the centre beyond the Science faculties, Foster argues that he has created a second artistic centre of gravity. He believes that this will draw together students from all quarters of the campus.

In fact, the first complaints from students, as they have returned for this summer term, are that the centre is too distant from their "workplaces." But, at least, if the arts students find the journey too long, the scientists should find it easier to study the two cultures.

## Old-style lender

Joe Skelton's job as chairman of the Finance Houses Association for the next two years may be rather quieter than the experience of his immediate predecessors in the aftermath of the City's fringe bank crisis.

He feels, however, that he has an important task ahead in standing up for the independent finance houses. Skelton, although only 48, belongs to the old school of the hire purchase industry: his company, Wagon Finance Corporation, stuck to its traditional function of consumer and industrial lending and avoided the risks of property investment which brought down bigger competitors.

This conservative approach has left his company as one of the few sizeable finance houses not linked with big banks. Skelton's predecessor at FHA, Ronald Barnes, represented Lombard North Central, which is in the National Westminster camp.

Skelton insists that there is no conflict of views between the bank-owned and the independent companies. The industry is united on issues such as the relaxation of credit controls for buying cars, where the Government has dragged its heels for fear of encouraging Japanese imports.

He will, nonetheless, have a

special case to make about the planned new legislation on the licensing of all deposit-taking institutions. The FHA thinks the distinction drawn between banks and others could inhibit the business of their members: they run a banking business without carrying the name of a bank.

Skelton argues that most members would not be wanted to become banks in the first place, but having been forced by circumstances into getting the appropriate recognitions are now reluctant to give them up. His own group has a subsidiary optimistically called Bank of Europe; it will almost certainly have to abandon that name.

## Kiss and tell

Only a country bumpkin would dare question, these days, the virtues of market research. So why criticise Wall's (the ice cream and meat pie people) for commissioning a survey to discover whether Londoners or Parisians are the more extrovert? Participants were asked whether they would eat ice cream in the street, wear shorts in the street, kiss on the mouth in public, or send back unsatisfactory food in restaurants. Take comfort: it was found that "the British attitude to kissing was reassuringly grown up."

Londoners also have fewer qualms about sending back poor meals. But they are none too keen to appear on the streets holding ice cream cones: only half the adult Londoners interviewed said they would be prepared to eat an ice in public. In Paris the figure was nearly eight out of ten. On both sides of the Channel, wearing shorts in the street was considered simply not done. Upon such esoteric data as corporate fortunes based, no doubt.

Observer

# THE EAST LANCASHIRE PAPER GROUP LTD.

Year ended 31st December		1977	1976
	£'000	£'000	
Turnover	28,887	22,570	
Profit before tax	1,153	213	
Taxation	588	(20)	
	565	233	
Less:			
Reorganisation Expenses	28	—	
Minority Interest	7	7	
Dividends	180	160	
Retained in the Company	350	66	
Earnings per share	9.7p	4.1p	
Dividend per share	3.3p	2.931p	

## In the Annual Report to the Shareholders, the Directors made the following points:

\*The results for the Group as a whole have been reasonable.

\*The paper and board market throughout 1977 continued to be conditioned by the depressed state of the world economy. Excess capacity and unprecedentedly high pulp stocks in Europe, America and Canada resulted in a highly competitive market.

\*The Group achieved during 1977 an improvement in its cash flow reducing net bank borrowing by £1.1 million.

## At the Annual General Meeting held at Radcliffe, Manchester, on 4th May 1978, the Chairman, Mr. C G Seddon, said:

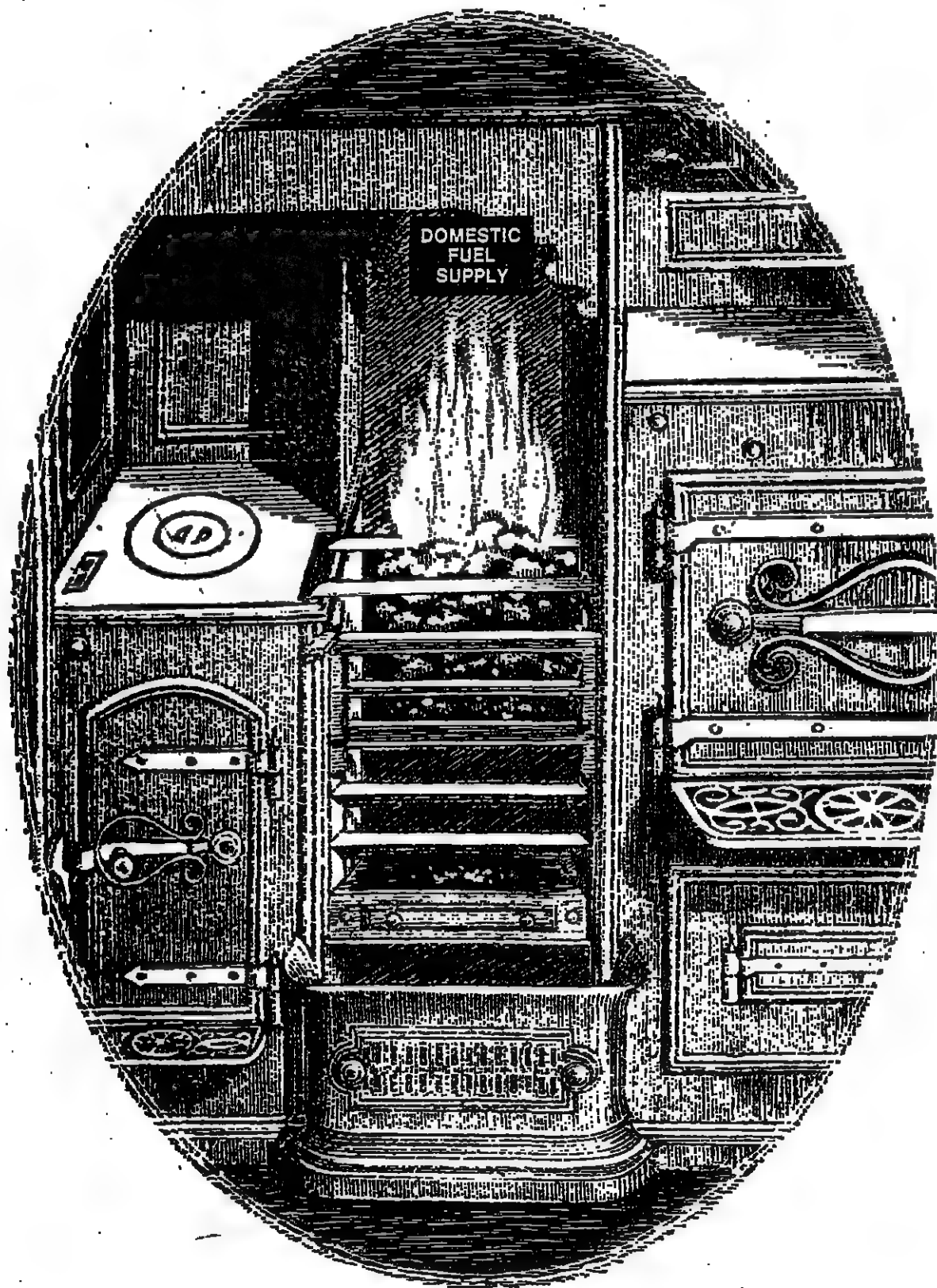
With the continuing requirements for improved customer service, efficiency and technical development in mind the Group's capital expenditure programme over 1977 and 1978 will total in excess of £1.8 million.

This expenditure includes additional computer control which will be coming on stream at the paper mill this year and also further additions will be made to the modern and well-maintained finishing plant.

مكتبة الأمل

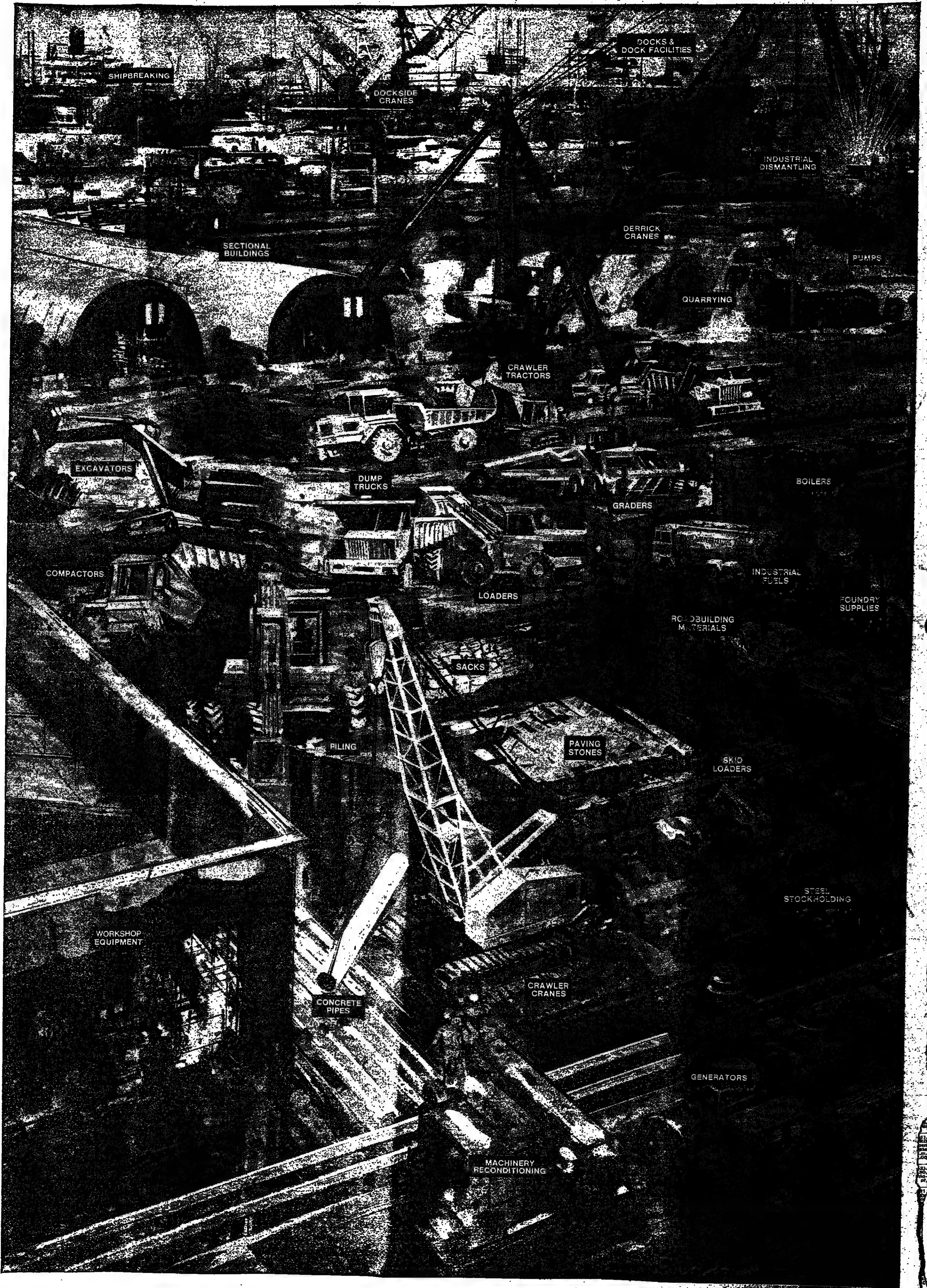


# WARD'S WORLD 1878



THOS. W. WARD LIMITED  ALBION WORKS, SHEFFIELD







# WARD'S WORLD 1978

OFFSHORE  
EQUIPMENT

ASBESTOS  
STRIPPING

SCAFFOLDING

GRANITE  
CLADDING

ROAD  
SURFACING

CHIMNEYS

STORAGE  
TANKS

OVERHEAD  
CRANES

GRABS

SPECIAL STEEL  
SCRAP

FERROUS &  
NON-FERROUS  
SCRAP

METALWORKING  
MACHINERY

CASTINGS

MACHINE  
TOOLS

TRUCK  
CRANES

WIRE & TUBE  
DRAWING  
MACHINERY

RAILS &  
SIDINGS

CEMENT

VEHICLE  
DISTRIBUTION

ROAD HAULAGE  
SERVICES

PROTECTIVE  
CLOTHING

ROAD  
SIGNS

CONTRACTORS  
TOOLS

HIGH VISIBILITY  
CLOTHING

OXYGEN-CUTTING  
SUPPLIES



# A warm welcome awaits the business world at WARD'S WORLD Centenary Exhibition

at Albion Works, Sheffield.

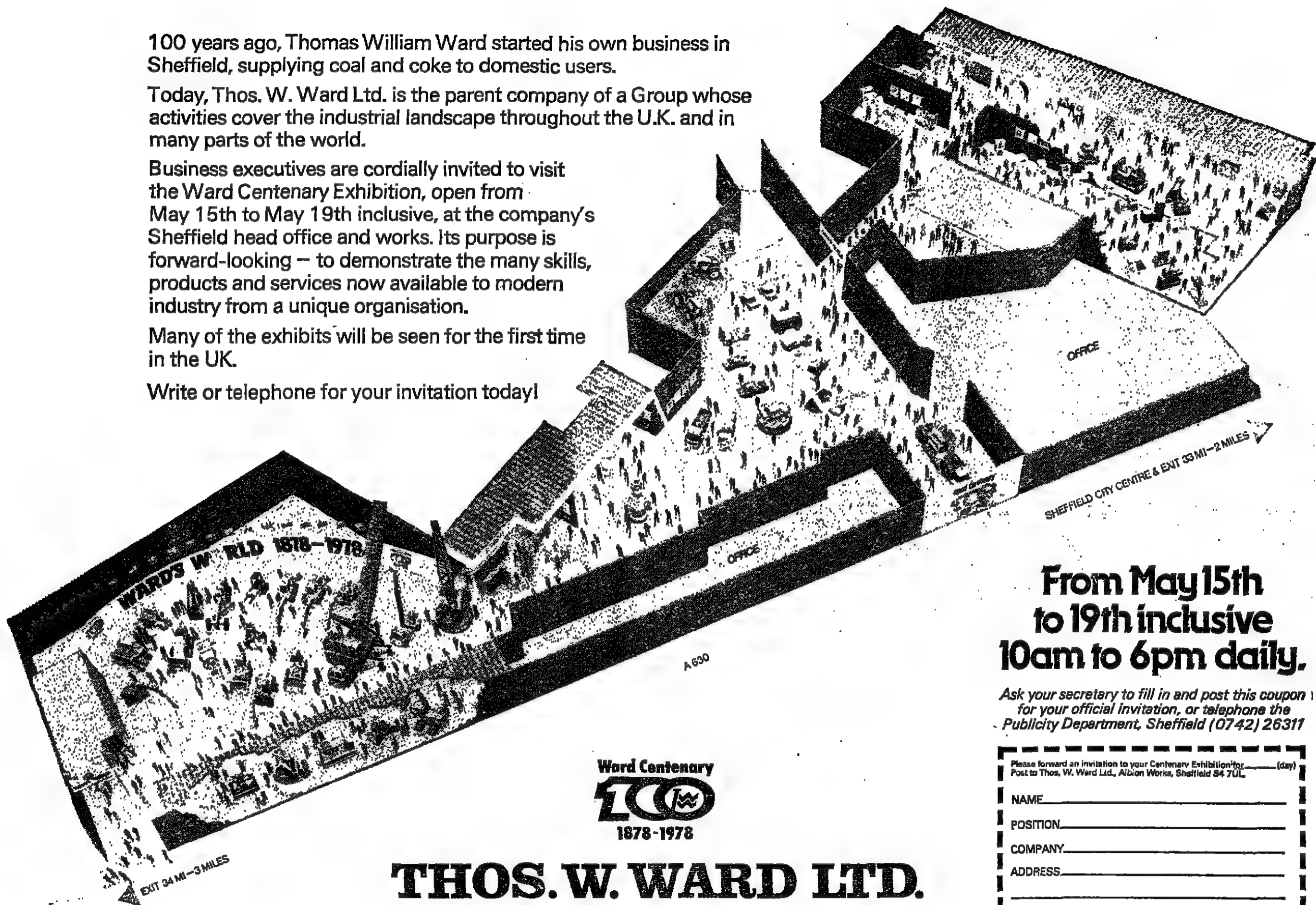
100 years ago, Thomas William Ward started his own business in Sheffield, supplying coal and coke to domestic users.

Today, Thos. W. Ward Ltd. is the parent company of a Group whose activities cover the industrial landscape throughout the U.K. and in many parts of the world.

Business executives are cordially invited to visit the Ward Centenary Exhibition, open from May 15th to May 19th inclusive, at the company's Sheffield head office and works. Its purpose is forward-looking — to demonstrate the many skills, products and services now available to modern industry from a unique organisation.

Many of the exhibits will be seen for the first time in the UK.

Write or telephone for your invitation today!



From May 15th  
to 19th inclusive  
10am to 6pm daily.

Ask your secretary to fill in and post this coupon for your official invitation, or telephone the Publicity Department, Sheffield (0742) 26311

Please forward an invitation to your Centenary Exhibition for \_\_\_\_\_ (day)  
Post to Thos. W. Ward Ltd., Albion Works, Sheffield S4 7UL.

NAME \_\_\_\_\_

POSITION \_\_\_\_\_

COMPANY \_\_\_\_\_

ADDRESS \_\_\_\_\_

## THOS. W. WARD LTD.

Head Office: Albion Works, Sheffield, S4 7UL. Telephone: 26311 (STD 0742). Telex: 54-119.  
London Office: Thames Road, Silvertown, London E16 2EZ. Telephone: 01-474 8077. Telex: 8951786

### GROUP MEMBER COMPANIES

Abbot Engineering Co. Ltd.  
35/41 Abercorn Street, Paisley,  
Renfrewshire, PA3 4AP  
Telephone: 041-889 4272

Specialists in gear cutting and machining

Alexander Metal Co. Ltd.  
Broad Lanes, Bilston, West Midlands,  
WV1 4 ORY  
Telephone: 41964 (STD 0902)

Refiners and manufacturers of copper-based non-ferrous alloys.

Allens (Plymouth) Ltd.  
Cobourne Street, Plymouth, PL1 1SS  
Telephone: 08886 (STD 0752)

Vehicle Distributors

Butters Cranes Ltd.  
Macellan Street, Glasgow, G41 1AT  
Telephone: 041-427 1141

Makers of derrick cranes, mobile tower cranes, derrick cranes and winches

The Central Motor Co. (Leicester) Ltd.  
Belgrave Gate, Leicester, LE1 3AE  
Telephone: 50501 (STD 0533)

Vehicle Distributors

Comberhill (Commercial) Ltd.  
Ings Road, Wakefield, West Yorks.  
Telephone: 76771 (STD 0924)

Vehicle Distributors

Comberhill (Yorkshire) Garages Ltd.  
Ings Road, Wakefield, West Yorks.  
Telephone: 76771 (STD 0924)

Vehicle Distributors

A. D. Crompton Ltd.  
Sovereign Street, Pendleton, Salford, M6 6FJ.  
Telephone: 061-736 4223

Industrial protective clothing manufacturers. Sports and leisure wear. Personal buoyancy aids. Fashion and rainwear.

High visibility clothing.

C. Evans & Sons Ltd.  
Evans House,  
79/82 High Street, Brentwood, Essex.  
Telephone: 217374 (STD 0277)

Building equipment contractors

non-mechanical plant for the construction industry, steel alloy specialists, traditional and system scaffolding stockists, steel stockholders.

Freddies (Auto Electricals) Ltd.  
Calderdale Road, Spenby, Lancs, BB11 1BS.  
Telephone: 28310 (STD 0582)

Also a specialist parts and vehicle components

Gentlemen Road Services Ltd.  
Hawthorn Road, Grimsby, Lincs, NG31 7SQ.  
Telephone: 52511 (STD 0470)

Road vehicle and workshop, contact here

Holmes Engineering Ltd.  
Whitehall Road, Huddersfield,  
West Yorkshire, HD1 3JD  
Telephone: 2145 (STD 014550)

Commercial vehicle and workshop, contact here

George Jackson  
Trading Division of Frank Parker & Co. Ltd.,  
Marston Road, Coln St. Cyprian,  
Somerset, BA22 9JH  
Telephone: 26145 (STD 0782)

Engineers, machinery mechanics, steel stockholders.

Ilkerton Metal Works Co. Ltd.  
Garnham Road, Ilkerton, Derbyshire, DE7 4DA.  
Telephone: 501704 (STD 0102)

Iron and steel scrap, fragmentary and coding

The Motion Picture Camera Co. Ltd.  
Albion Works, Sheffield, S4 7UL  
Telephone: 26311 (STD 0742)

Works and Quaterns, Kelson, Lincs, PE9 2JA.  
Telephone: 52002 (STD 0742)

Producers of steel, aluminium, stainless steel, and various other metals, alloys, steels and

warehouses for all types of metal products

John Lee (Social) Ltd.  
Wells Street, Grimsby, Lincs, NG31 6DZ.  
Telephone: 55011 (STD 0470)

Seals and gaskets, pipe, flanges, valves, pump parts, etc.

Loose Brain & Co. Ltd.  
Gainsborough Works, Lutter Road,  
Poultice, London, E12 0LP  
Telephone: 01-557 2255 and 3700

Specialists in the design, manufacture, repair and

equipment, maintenance for the

Marshall Richards Barrow Ltd.  
New Road, Crook, Co. Durham.  
Telephone: 2272 (STD 028 533)

Wire drawing machinery, tube drawing machinery, strip and sheet metal rolling mills, rollers and handling equipment for the non-ferrous metal industry.

Midland Industrial Laboratories Ltd.  
Broad Lanes, Bilston, West Midlands,  
WV1 4 ORY  
Telephone: 41964 and 42518 (STD 0902)

Metallurgists and consultants, assayists and samplers

Milford Haven Dock & Railway Co.  
Castle Works, Milford Haven, Dyfed  
Telephone: 2976 (STD 05482)

Mostyn Docks & Trading Limited  
Mostyn, Holywell, Clwyd, CH8 3HF  
Telephone: Holywell 335 (day and night)

(STD 074 572)

Dock installations, loading and discharging of cargo

Neesham Tractors Ltd.  
Malpas Road, Northallerton, North Yorks.  
Telephone: 2621 (STD 0609)

Main dealers for Ford and Ransomes agricultural equipment

Frank Parker & Co. Ltd.  
Head Office: John O'Gaun's Industrial Estate,  
Leeds Road, Rothwell, Leeds, LS2 6JB.  
Telephone: 824512 (STD 0532)

Suppliers of contractors' tools and equipment, protective clothing, road signs etc.

Pickford Deighton Ltd.  
Crescent Works, Ecclesall Road,  
Sheffield S11 8PD  
Telephone: 664411 (STD 0742)

Elton Street, Sheffield S1 4PL  
Telephone: 25202 (STD 0742)

39 Duffield Road, Derby  
Telephone: 47007 (STD 0532)

Vehicle Distributors

Safety Service Co. Ltd.  
Ips Works, Chesham Bucks, HP5 1NF  
Telephone: 4871 (STD 024 05)

Makers of eye, face and head protection, and distributors of industrial safety footwear, safety equipment and clothing.

Selwood Garages Ltd.  
Sunderland Road, Hanton, South Shields,  
Tyne & Wear  
Telephone: 52571 (STD 08943)

Vehicle Distributors

Skipper of Burnley Ltd.  
Eastern Avenue, Burnley BB10 2AX  
Telephone: 25991 (STD 0283)

Vehicle Distributors

Skipper of Darlington Ltd.  
St. Cuthbert's Way, Darlington, DL1 1RP  
Telephone: 87581 (STD 0328)

Vehicle Distributors

Skipper Finance Ltd.  
Eastern Avenue, Burnley BB10 2AX  
Telephone: 25991 (STD 0283)

Contract hire and vehicle leasing

Skipper of Gloucester Ltd.  
London Road, Gloucester, GL1 3HS  
Telephone: 22251 (STD 0452)

Vehicle Distributors

Skipper of Northallerton Ltd.  
South Parade, Northallerton, North Yorks.  
Telephone: 2621 (STD 0609)

Vehicle Distributors

Skipper of St. Helens Ltd.  
City Road, St. Helens, Merseyside, WA10 6NZ  
Telephone: 26381 (STD 0744)

Vehicle Distributors

Skipper of Stourbridge Ltd.  
New Road, Stourbridge, West Midlands, DY8 1PE  
Telephone: 2850 (STD 033 43)

Vehicle Distributors

John Smith (Keighley) Ltd.  
Crane Works, Keighley, West Yorks, BD21 4AL  
Telephone: 605511 (STD 0635)

Makers of overhead and derrick cranes

Thos. W. Ward (Railway Engineers) Ltd.  
Midland Foundry, Osmaston Street,  
Sandiway, Nr. Nottingham, NG10 5AN  
Telephone: 295252 (STD 0502)

Permanent way equipment, general engineers and ironmongers

Manufacturers of switches, crossings etc. for main line railways, docks, collieries, power stations etc.

Thos. W. Ward (Roadstone) Ltd.  
9 Broomfield House, Broomfield Road,  
Sheffield S10 2EA  
Telephone: 586051 (STD 0742)

Public Works contractors, and specialists in road surfacing, asphalt, aggregates, macadam, granite, pre-cast concrete products.

Ward, Longbottom Ltd.  
Albion Works, Sheffield, S4 7UL  
Telephone: 26311 (STD 0742)

Suppliers of industrial fuels

Watsons (Metallurgists) Ltd.  
Wreake Lane, Dronfield, S18 6PN  
Telephone: 414871 (STD 0246)

Ferro alloy merchants, Specialists in crushing and grading

Widnes Foundry & Engineering Co. Ltd.  
Lugside Road, Widnes, Cheshire, WAB 6DA  
Telephone: 051-424 2251

Makers of vessels and equipment for the chemical, oil, food, gas and allied industries. Castings in heat and acid resisting, high duty and alloy irons.

Fabricated tanks and vessels in mild and stainless steel

John Williams (Wishaw) Ltd.  
Excelsior Iron & Steel Works, Wishaw,  
Strathclyde, ML2 7SU  
Telephone: 72466 (STD 069-83)

Makers of mild steel plate and sheets, nails and spikes

ASSOCIATED COMPANIES

The Bold Venture Lime Co. Ltd.  
Chatburn, Nr. Clitheroe, Lancs, BB7 4LA.  
Telephone: 41365 (STD 0200)

Producers of dry, tarred and bituminous limestone and ground limestone.

The Horrocksford Lime Co. Ltd.  
Chatburn, Nr. Clitheroe, Lancs, BB7 4LA.  
Telephone: 41365 (STD 0200)

Producers of dry, tarred and bituminous limestone and ground limestone.

Ribblesdale Cement Co. Ltd.  
Clitheroe, Lancs, BB7 4LA  
Telephone: 22401 (STD 0200)

Producers of 'Ribble', 'Velocrete' and sulphate resisting cements

OVERSEAS SUBSIDIARY COMPANY

AUSTRALIA  
Thos. W. Ward (Australia) Pty. Ltd.  
5-17 Glenbarry Road, Campbellfield,  
Victoria 3081, Australia

هكذا منة الأمل







# COMPANY NEWS+COMMENT

## Troubled Serck off £1.54m. at halfway

HIT BY a sharp profit fall in valves and heat transfer, the two main activities of the group, pre-tax profits of Serck declined from £4.4m. to £2.54m. in the six months to March 31, 1978, despite a sales rise from £38.1m. to £41m. However, the directors say they expect the second-half results to show an improvement over those now reported. For the last full year profits totalled £9.22m.

A world-wide demand caused a sales volume reduction in the valve companies during the first half and this together with increased costs led to pressure on margins. Demand was good in heat transfer but the effect of industrial disruption in the first quarter was substantial and operating costs were greatly increased.

The outlook for the rest of the year suggests that although the valve companies are unlikely to do well in a market which seems certain to remain depressed, some of the first quarter's lost output in heat transfer will be recovered and a better performance is probable. The group's other companies traded satisfactorily in the first six months and should also have an improved second half.

Earnings per 25p share are shown at 0.5p (11.4p). The interim dividend is raised from 2p to 2.25p—last year's final payment being 3.94p.

Profit was struck after higher interest of £410,000, against £200,000. Tax took £131m. (£2.19m.).

**comment**

Industrial strife, a drop in overseas demand, the cost of the capital expenditure programme and last year's massive stock build up combined to end Serck's sequence of record profits. The second half profit will be only slightly better than the first half—total giving a total well below last year's pre-tax £9.22m. The industrial strife took the edge off the heat transfer division while the drop in overseas demand caused a sharp reduction in earnings from the valve operations. Last year the overseas sector contributed 40 per cent. of total sales and 32 per cent. of profits. Increased competition and a strengthening pound have squeezed margins in this sector in the current year.

The interest bill in the first half reflected the lift in borrowings required to finance the capital expenditure programme and the excessive stocks. Borrowings will continue to grow to around 33 per cent. of shareholders' funds by year end. The stock acquisition policy was reversed in January and stocks should start to fall from the middle of next month. The share price dropped 2 1/2 p in 83p. The annualised earnings rate of 8.5p a share gives a relatively high p/e of 12.5 but the group's dividend (assuming maximum annual dividend increase) is 11.9 p/c.

### CAPITAL CRAY

The offer by Capital For Industry for Cray Electronics has been accepted in respect of 1,243,847 shares. Shares owned by DFI and acceptances total 7.25m. (£2.2m. per cent.) and the offer has closed.

INDEX TO COMPANY HIGHLIGHTS					
Company	Page	Col.	Company	Page	Col.
Aberdeen Construct.	26	4	Mettoy	26	5
Bamfords	26	2	Mothercare	27	4
Bibby (J.)	30	5	Osborn (Samuel)	26	5
Border & Southern	30	8	Natl. & Commercial	27	1
BP	28	2	Peacocks Property	27	5
British Sugar	26	7	Porter-Chadburn	26	3
Capital Annuities	28	7	Sears Holdings	28	7
Cartwright (R.)	27	3	Serck	26	1
Dualvest	28	6	UDS Group	30	6
Feedex	26	2	United Wire	26	4
Harrison (T. C.)	27	1	Wemyss	26	6
Kearney Trecker	28	4	Wills (George)	27	3

## Feedex falls to £821,000

DESPITE A recovery in second half earnings from £570,000 to £505,000, pre-tax profit of Feedex ended 1977 down from £927,000 to £821,000. Turnover for the year jumped from £15.28m. to £20.65m.

After tax of £263,000 (£267,000), net profit was almost unchanged at £538,000 against £580,000.

A final dividend of 0.79p net per 10p share takes the total from 1.25p to a maximum permitted 1.75p. 1978 results have been adjusted for ED 19.

Directors say the second half improvement was due to a restoration of feed milling margins, the continuing success of the engineering division and improvements in profits on the oil, breeding and marketing operation.

In line with its policy of expansion Feedex has recently completed the purchase of the Hammeton, Chicks (Buckingham, near York) and the outstanding minority interest in its engineering subsidiary, Rowlands Engineers.

### Extra time adds little to Bamfords

FOR THE 15 months to the end of 1977 Bamfords, manufacturer of agricultural machinery, fencing materials and grey iron castings, shows taxable earnings of £976,390 on sales of £19.75m.

Because of a change of year end the extended accounting period took in an additional low volume sales quarter and as anticipated the final three months only added some £28,000 to the 12-month profit, reported in December up from £0.7m. to a record £0.8m. Home market sales increased substantially but exports were affected by adverse weather and economic conditions overseas and by rapid currency exchange fluctuations. Nevertheless export sales again represented 50 per cent. of production.

Sales for the first quarter of the current year show an increase but the forward order position has weakened and an increase in demand by farmers at home and abroad will be necessary to

achieve growth in 1978, the directors say.

Tax took £150,700 (£28,297) and earnings per 20p share emerged at 12.57p (14.18p) on capital increased by the March, 1977, rights issue. A net final of 0.44p takes the total for the period to 2.2p (0.88p).

The company has adopted ED 19 in its treatment of deferred tax and the comparative figures have been adjusted.

## Porter Chadburn at £1.28m.

MAINTAINED TAXABLE earnings of £715,417 against £722,433, in the second half left Porter Chadburn with fulltime profit marginally ahead from £1,150,235 to £1,277,111 for the year to January 5, 1978. Sales were up £1,80m. at £12.95m.

In November the directors said that the increase in profit for the first six months, to £561,700 (£407,900), was largely attributable to the brewery equipment and plastics divisions. They anticipated better performance in the second half but warned that the interruption of essential supplies and services might affect earnings.

After tax of £567,323 (£377,042) earnings per 20p share for the year advanced to 21.2p compared with 16.93p. A net final dividend of 3.8187p lifts the total to a maximum permitted £2.7076p (£4.7716p).

Profit for the previous year included £87,000 regional employment premium which was not payable for 1977-78.

The rights and equipment for production of Poladine refrigeration equipment were purchased from General Motors during the year and manufacture of the units are now in full swing at Robinsons and Porter Lancashire. Mr. D. C. Bamford, the chairman reports.

Investment in the Shepherd's spares division of Chadburn Bloctube resulted in a considerable expansion of the diesel spares service, while marine interests held up despite the world-wide recession in shipbuilding and new and improved telegraphs were introduced with success.

Cloyton has extended its crane repair and servicing operations and Senior continued to increase its contribution to group profits but the group's surveying equipment division still suffered from

the effects of a very depressed contracting and building industry. Production was interrupted in the latter part of the year by industrial action, both external and internal, Mr. Bamford adds.

AS FOREWARNED at the end of the last full year, United Wire Group encountered a continued lower level of demand for its traditional wire and paper trade products in the six months to April 1, 1978. This resulted in turnover some 6 per cent. lower at £8.02m. and a fall in taxable profit from £936,000 to £842,000.

Present indications are that second-half results will be marginally better than those now reported, say the directors. For the last full year profit turned in at £1.89m.; from which a 2.89p final dividend was paid.

This year's interim is lifted from 1.8p to 2p net to reduce disparity. Half-year earnings are given at 4.1p (5.4p).

After tax of £311,000 (£499,000) and an extraordinary debit this year of £15,000 the attributable balance comes through at £273,000 (£458,000).

## Downturn at Aberdeen Construct.

AFTER A slight decline from £1.8m. to £1.7m. at halfway, pre-tax profit of Aberdeen Construction Group ended 1977 down from £4.83m. to £3.95m. on turnover ahead from £49.83m. to £57.02m.

The result includes regional development grants of £133,494 (£282,672) and a £14,513 credit (£11,407 debit) for finance charges.

It is also subject to tax of £1.5m. (£2.96m.) and minority interests of £624,000 (£711,000). Earnings per 25p share are shown little changed at 22.16p, against 22.89p, and a final dividend of 2.82p takes the total to 4.807p (4.125p) net per share.

**comment**

In spite of the spin-offs from North Sea oil, Aberdeen Construction is now feeling the full impact of the building recession. Full year profits are 13 per cent. lower and reflect the company's failure to increase its workload at a time when margins are under pressure (down more than two points).

Competition has been fierce in the building division (around 50 per cent. of profits in 1978) where profits are substantially down on the previous year. In the civil engineering division sales were a third higher but profits were barely ahead. A similar pattern is evident in the concrete and extractive division. Meanwhile the company is going ahead with the 300,000 square foot office complex in Aberdeen, which will eventually cost at least £3m. in spite of news that Occidental has decided not to become a future tenant. At 85p, the shares are on a p/e of 3.7 and yield 8.3 per cent.

Mr. Katz now says that current orders and despatches are substantially higher than last year and he is confident that, subject to unforeseen circumstances, 1978 will create new records in sales and profits.

Stated earnings per 25p were 14.7p (11.7p) and the net total dividend is stepped up to a maximum permitted 2.12p (1.9p) and an additional 0.0146p is to be paid in respect of 1978 following the charge in tax rate.

On a current cost basis on the Hyde Guidelines profit is reduced to £2.3m. after extra depreciation of £150,000 to £2.05m. and a 10p per share charge while the yield is seven per cent.

The decision to invest in the company's French distributors has brought immediate success with increased sales and profits fully up to expectations. The current year should see further developments in this area, Mr. Katz says.

To widen the company's range of toys for girls it has signed a contract with Klucknerbaker Toys Company to act as their exclusive U.K. distributors for soft toys. The group also plans to enter the crafts products area during 1978.

As known agreement was reached with Rosedale Mouldings recently to take over that company's toy interest and Mettoy has purchased all tools, moulds and trade names involved. The directors intend to develop this line of products which will strengthen the company's position as suppliers to the wholesale cash

and carry trade, Mr. Katz says.

The company has adopted ED 19 in its treatment of deferred tax and the Inland Revenue has agreed to a proportion of exchange losses realised on repayment of foreign currency borrowing to be allowed as a charge in computing tax liabilities.

Most toy companies suffered from destocking by retailers prior to Christmas, so Mettoy's results—coming after Berwick Timp's 31 per cent. downturn in the second half—are surprisingly good. Second half profits are a fifth higher, giving a full year increase of 16 per cent. Almost half the annual profits rise has come from associates, bolstered by the acquisition of a substantial interest in Fair Play (Mettoy's French distributor). The balance comes from a good exports performance (up 14 per cent. in spite of a stronger pound and poor trading in Canada), and a small pickup at home. The rump of the business, Corbi diecast models (50 per cent. of sales) and Wembley Playables, continues to do well, especially in Europe. However, the new Buxy bodies range of semi-articulated figures, previously imported from West Germany and now being manufactured in Swansea, have proved to be a disappointment, in spite of being redesigned for the British market. Other recent product changes should help to boost market share. The shares rose 2p to 47p for a p/e of 3.1 on a low tax charge while the yield is seven per cent.

An interim dividend of 5p (4p) to reduce disparity has been declared. Last year the total was 10.75p.

### Saml. Osborn unchanged

Special steels and toolmakers, Samuel Osborn, in which Aurora Holdings has recently built up a strategic 28.98 per cent. stake, yesterday announced a static trading performance for the first six months of the current year to March 24.

Sales were virtually unchanged over the comparable period at £18.42m. against £18.2m. Pre-tax profits, however, after a rise in depreciation charges from £335,000 to £425,000, dropped by £300,000 to just over £1m. despite a reduction in interest charges from £328,000 to £387,000.

Below the line net loss on translation of overseas currencies deepened from £183,000 to £281,000, leaving a net attributable loss of £102,000, compared with a £374,000 profit.

Presenting the figures yesterday, Mr. Bernard Cotton, the chairman, said that unless currency exchange rates became volatile again, he expected to see the second half performance mirror that of the first but without further increases in the currency figures. On the trading front there will probably not be the same improvement in the second half as there was last year.

Mr. Cotton confirmed that there had been several discussions between Osborn's directors and Aurora since the latter acquired a near 20 per cent. stake formerly owned by Johnson and Pirth Brown. The stake had originally been said to be a trade investment, but the recent talks showed that Aurora was now interested in closer co-operation between the two companies.

Mr. Robert Atkinson, chairman of Aurora, also confirmed the talks which, he said, involved discussion of varying degrees of co-operation up to and including a merger. He was still awaiting a response from Osborn.

Mr. Cotton declined to say whether he would be offering Aurora a seat on the Board or whether he was considering Mr. Atkinson's proposals. It is believed that in the case of a bid approach Osborn's directors and friendly interests could control as much as 25 per cent. of the shares.

In the market yesterday

### DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Aberdeen Construct.	2.82	July 2	2.33	4.61	4.13
Altham	5.3	July 14	5.2	4.2	4.2
Bamfords	0.44**	June 23	0.85	2.2**	0.88
British Sugar	1.63	July 3	1.35	—	4.75
Dares Estates	0.5	Sept. 1	—	0.5	—
J. A. Devenish	2.13	July 14	2	—	5.9
Dualvest	2.28	May 31	2.02	4.64	4.12
Feedex	0.79	July 7	0.72	1.38	1.24
Financial	1.04	May 31	0.98	—	2.4
Guardian Inv. Co.	1.95	July 7	1.6	2.7	2.35
T. C. Harrison	2.75	July 4	2.46	4.1	3.7
London & Prov. Shop int.	0.33	July 1	0.3	—	0.74
Maxim's	5	—	4.5	5	1.9
Mettoy	1.97	—	0.95	2.92	2.64*
Mothercare	1.9	July 3	1.25	—	2.63
National & Com. Bk. Int.	1.58	June 20	nil	—	0.99
Peacocks Property	1	July 4	3.42	5.27	4.77
Porter Chadburn	3.82	June 1	4.81	10.83	9.97
Save & Prosper Ltd. sec. int.	5.19	July 10	1.73	1.93	1.73
Scott's Restaurant	1.92	—	2.31	2.58	2.31
Sears Holdings	2.58	Aug. 7	2	—	5.94
Serck	2.2	—	0.36	—	1.27
V. A. Tyack	0.36	Aug. 2	2.7	5.1	4.5
U.D.S. Group	3	July 3	1.8	—	4.09
United Wire	2.8	—	3	—	10.73
Wemyss	3	—	0.64	1.35	1.39
Wills (George)	0.73	—	—	—	—

Dividends shown pence per share net except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Additional 0.0146p in respect of 1978. § Adjusted for scrip and share split. ¶ To reduce disparity with 1977. \*\* 10.480000p final expected. \*\*\* For 15 months on capital increased by rights.

## Mettoy better at £2.8m. and still going strong

INCLUDING a share of associates' profits up from £27,000 to £196,000, Mettoy's toy maker reports taxable earnings for 1977 ahead to a record £2.82m., against £2.4m. on sales £3.65m. better at £27.48m.

At halfway, when the surplus was up at £1.53m. (£1.13m.), Mr. A. Katz, the chairman, said that demand remained buoyant but margins, particularly in exports, were being affected by the strength of sterling.

Mr. Katz now says that current orders and despatches are substantially higher than last year and he is confident that, subject to unforeseen circumstances, 1978 will create new records in sales and profits.

Stated earnings per 25p were 14.7p (11.7p) and the net total dividend is stepped up to a maximum permitted 2.12p (1.9p) and an additional 0.0146p is to be paid in respect of 1978 following the charge in tax rate.

On a current cost basis on the Hyde Guidelines profit is reduced to £2.3m. after extra depreciation of £150,000 to £2.05m. and a 10p per share charge while the yield is seven per cent.

The decision to invest in the company's French distributors has brought immediate success with increased sales and profits fully up to expectations. The current year should see further developments in this area, Mr. Katz says.

To widen the company's range of toys for girls it has signed a contract with Klucknerbaker Toys Company to act as their exclusive U.K. distributors for soft toys. The group also plans to enter the crafts products area during 1978.

As known agreement was reached with Rosedale Mouldings recently to take over that company's toy interest and Mettoy has purchased all tools, moulds and trade names involved. The directors intend to develop this line of products which will strengthen the company's position as suppliers to the wholesale cash

and carry trade, Mr. Katz says.

The company has adopted ED 19 in its treatment of deferred tax and the Inland Revenue has agreed to a proportion of exchange losses realised on repayment of foreign currency borrowing to be allowed as a charge in computing tax liabilities.

Most toy companies suffered from destocking by retailers prior to Christmas, so Mettoy's results—coming after Berwick Timp's 31 per cent. downturn in the second half—are surprisingly good. Second half profits are a fifth higher, giving a full year increase of 16 per cent. Almost half the annual profits rise has come from associates, bolstered by the acquisition of a substantial interest in Fair Play (Mettoy's French distributor). The balance comes from a good exports performance (up 14 per cent. in spite of a stronger pound and poor trading in Canada), and a small pickup at home. The rump of the business, Corbi diecast models (50 per cent. of sales) and Wembley Playables, continues to do well, especially in Europe. However, the new Buxy bodies range of semi-articulated figures, previously imported from West Germany and now being manufactured in Swansea, have proved to be a disappointment, in spite of being redesigned for the British market. Other recent product changes should help to boost market share. The shares rose 2p to 47p for a p/e of 3.1 on a low tax charge while the yield is seven per cent.

An interim dividend of 5p (4p) to reduce disparity has been declared. Last year the total was 10.75p.

AS FOREWARNED at the end of the last full year, United Wire Group encountered a continued lower level of demand for its traditional wire and paper trade products in the six months to April 1, 1978. This resulted in turnover some 6 per cent. lower at £8.02m. and a fall in taxable profit from £936,000 to £842,000.

Present indications are that second-half results will be marginally better than those now reported, say the directors. For the last full year profit turned in at £1.89m.; from which a 2.89p final dividend was paid.

This year's interim is lifted from 1.8p to 2p net to reduce disparity. Half-year earnings are given at 4.1p (5.4p).

After tax of £311,000 (£499,000) and an extraordinary debit this year of £15,000 the attributable balance comes through at £273,000 (£458,000).

AS FOREWARNED at the end of the last full year, United Wire Group encountered a continued lower level of demand for its traditional wire and paper trade products in the six months to April 1, 1978. This resulted in turnover some 6 per cent. lower at £8.02m. and a fall in taxable profit from £936,000 to £842,000.

Present indications are that second-half results will be marginally better than those now reported, say the directors. For the last full year profit turned in at £1.89m.; from which a 2.89p final dividend was paid.

This year's interim is lifted from 1.8p to 2p net to reduce disparity. Half-year earnings are given at 4.1p (5.4p).

After tax of £311,000 (£499,000) and an extraordinary debit this year of £15,000 the attributable balance comes through at £273,000 (£458,000).

AS FOREWARNED at the end of the last full year, United Wire Group encountered a continued lower level of demand for its traditional wire and paper trade products in the six months to April 1, 1978. This resulted in turnover some 6 per cent. lower at £8.02m. and a fall in taxable profit from £936,000 to £842,000.

Present indications are that second-half results will be marginally better than those now reported, say the directors. For the last full year profit turned in at £1.89m.; from which a 2.89p final dividend was paid.

This year's interim is lifted from 1.8p to 2p net to reduce disparity. Half-year earnings are given at 4.1p (5.4p).

After tax of £311,000 (£499,000) and an extraordinary debit this year of £15,000 the attributable balance comes through at £273,000 (£458,000).

AS FOREWARNED at the end of the last full year, United Wire Group encountered a continued lower level of demand for its traditional wire and paper trade products in the six months to April 1, 1978. This resulted in turnover some 6 per cent. lower at £8.02m. and a fall in taxable profit from £936,000 to £842,000.

Present indications are that second-half results will be marginally better than those now reported, say the directors. For the last full year profit turned in at £1.89m.; from which a 2.89p final dividend was paid.

This year's interim is lifted from 1.8p to 2p net to reduce disparity. Half-year earnings are given at 4.1p (5.4p).

After tax of £311,000 (£499,000) and an extraordinary debit this year of £15,000 the attributable balance comes through at £273,000 (£458,000).

AS FOREWARNED at the end of the last full year, United Wire Group encountered a continued lower level of demand for its traditional wire and paper trade products in the six months to April 1, 1978. This resulted in turnover some 6 per cent. lower at £8.02m. and a fall in taxable profit from £936,000 to £842,000.

Present indications are that second-half results will be marginally better than those now reported, say the directors. For the last full year profit turned in at £1.89m.; from which a 2.89p final dividend was paid.

This year's interim is lifted from 1.8p to 2p net to reduce disparity. Half-year earnings are given at 4.1p (5.4p).

After tax of £311,000 (£499,000) and an extraordinary debit this year of £15,000 the attributable balance comes through at £273,000 (£458,000).

AS FOREWARNED at the end of the last full year, United Wire Group encountered a continued lower level of demand for its traditional wire and paper trade products in the six months to April 1, 1978. This resulted in turnover some 6 per cent. lower at £8.02m. and a fall in taxable profit from £936,000 to £842,000.

Present indications are that second-half results will be marginally better than those now reported, say the directors. For the last full year profit turned in at £1.89m.; from which a 2.89p final dividend was paid.

This year's interim is lifted from 1.8p to 2p net to reduce disparity. Half-year earnings are given at 4.1p (5.4p).

After tax of £311,000 (£499,000) and an extraordinary debit this year of £15,000 the attributable balance comes through at £273,000 (£458,000).

AS FOREWARNED at the end of the last full year, United Wire Group encountered a continued lower level of demand for its traditional wire and paper trade products in the six months to April 1, 1978. This resulted in turnover some 6 per cent. lower at £8.02m. and a fall in taxable profit from £936,000 to £842,000.

Present indications are that second-half results will be marginally better than those now reported, say the directors. For the last full year profit turned in at £1.89m.; from which a 2.89p final dividend was paid.

This year's interim is lifted from 1.8p to 2p net to reduce disparity. Half-year earnings are given at 4.1p (5.4p).

After tax of £311,000 (£499,000) and an extraordinary debit this year of £15,000 the attributable balance comes through at £273,000 (£458,000).

AS FOREWARNED at the end of the last full year, United Wire Group encountered a continued lower level of demand for its traditional wire and paper trade products in the six months to April 1, 1978. This resulted in turnover some 6 per cent. lower at £8.02m. and a fall in taxable profit from











MINING NEWS

# MMH invests in coal expansion plan

BY PAUL CHEESNIGHT

MMH HOLDINGS is to spend \$10m. (£6.2m.) in the first stage of a plan to boost the export capacity of the coking coal operation in Queensland run by its subsidiary, Collinsville Coal. This first stage involves the expansion of the open-pit mine and takes in a coal washing plant, the provision of water and power supplies and the purchase of equipment. The launching of the programme at this time reflects not only the generally held and optimistic assessment of the future international demand for coking coal but also an increasing confidence in the Australian mining industry now that domestic inflation is coming under closer control. Ultimately MMH plans both open-pit and underground mines for Collinsville Coal and a scale of production which will require a new port 20 km. north of Bowen, where some facilities already exist. By July next year, Collinsville Coal will be producing 200,000 tonnes of high quality material for export. The company plans ultimately to produce for export 1.5m. tonnes of coking coal from Collinsville and 2.5m. tonnes of steaming coal from the Newlands/Eastern Creek area 90 km. south of Collinsville, said Sir James Foot, the chairman of both the parent and subsidiary companies. At present Collinsville Coal is producing 850,000 tonnes a year or the domestic market. In the next five years plans for export have been inhibited by an inability to offer supplies from stockpiles. The development programme will obviate this difficulty. In London yesterday, MMH shares were 175p.

## OUTPUT SLIDES AT ROBE RIVER

Poor demand from the steel industry for iron ore has caused

a sharp reduction in the output of the Western Australian producer, Cliffs Robe River. In the 1978 first quarter, coarse output was 2m. tonnes compared with 3.7m. tonnes in the same period of 1977. Pellet output was 549,000 tonnes against 2.2m. tonnes and fines production was 1.4m. tonnes against 2.25m. tonnes. The fall is taking place against the background of plant expansion to raise annual capacity to 19.5m. tonnes from 15.8m. tonnes. The work is nearly half complete.

The venture is owned by Robe River Ltd., an Australian group, with 85 per cent, Cleveland Cliffs Iron of the U.S., with 30 per cent, Mitsui Iron Ore of Japan with 20 per cent, and Cape Lambert Iron Associates with 5 per cent. Meanwhile, another Western Australian producer, Hamersley of the Rio Tinto group has announced that it will offer 10.5 per cent, 10 year debentures to the Australian holders of its A\$13.30 8 per cent debentures which mature at the end of May.

## RTZ RHODESIA'S EARNINGS FALL

Hit by the depression in nickel and copper markets, 1978 first quarter net profits of the Empress mine of Rio Tinto (Rhodesia) have slumped by 51 per cent to £170,000 and the interim dividend is being omitted, reports our Salisbury correspondent. The group says that it has begun to sell its nickel stockpile but revenue from this will not start to accrue until the current quarter.

The parent company reports a 9 per cent decline in the past quarter's earnings to £250,000, the fall having been cushioned by satisfactory earnings from its gold and emerald operations. But it

has suffered from the fall in Empress profits and the loss incurred by the engineering subsidiary, Tinto Industries.

## URANIUM HOPES IN WYOMING

Production at a new uranium mine in Wyoming could start in 1982, if a \$20m. (£10.9m.) development programme is successful. Rocky Mountain Energy, the operator, stated that a joint venture would delineate further ore reserves and provide data for mine and mill designs.

Rocky Mountain Energy has a 30.3 per cent stake. The other joint ventures are Mono Power, a unit of Southern California Edison, with 39.7 per cent, and Great Basins Petroleum with 30 per cent.

## MINING BRIEFS

KILLINGHALL TINT—Output for April, 47 tonnes (March 601 tonnes).

PANANG CONSOLIDATED—Output of lead concentrates produced and sold for April 198 tonnes (March 138 tonnes).



The John Lewis Partnership

department stores and Waitrose supermarkets

## Summary of Results for the year ended 28th January 1978

The business of the John Lewis Partnership belongs to those who work in it—the whole of the equity of John Lewis Partnership Limited being held in trust for that purpose. The profit that remains, after the payment of interest on loans and fixed preference dividends and after profit retentions, is distributed as Partnership Bonus among all those who work in the business in proportion to their year's pay.

Sales increased by £67 million to £437 million (18%). Department store sales rose by £38 million (17%) and sales in Waitrose supermarkets by £29 million (20%).

Profit after interest increased by £5.6 million (24%) but there was a sharp increase in taxation. Retentions totalled £12.3 million and the Partnership Bonus distribution was £8.8 million—18% of pay.

For copies of the full accounts please telephone 01-637 3434 Ext 6221 or write to Chief Information Officer, The John Lewis Partnership, 4 Old Cavendish Street, London W1A 1EX.

## John Lewis Partnership Limited Consolidated Results

	1977/78 £000's	1976/77 £000's
Sales (including VAT)	436,813	369,721
Trading Profit after depreciation but before interest	32,311	26,401
Profit after interest	29,110	23,522
Balance after taxation and preference dividends	25,693	23,754
Use of balance:		
Pensions Funds contributions	4,587	4,046
Profit retained: to offset inflation for development	6,500	5,000
	5,777	8,148
Partnership Bonus	8,829	6,560
As a percentage of pay	18%	15%
Capital employed at the end of the year	152,676	134,953

# Which oil company produced more than half of Britain's North Sea oil in 1977?



Sir David Steel, Chairman of BP, speaking yesterday at the AGM, said . . . 'Again last year BP's efforts produced over half of the UK's North Sea oil, and this contributed over £1,000 million towards righting Britain's balance of trade . . .

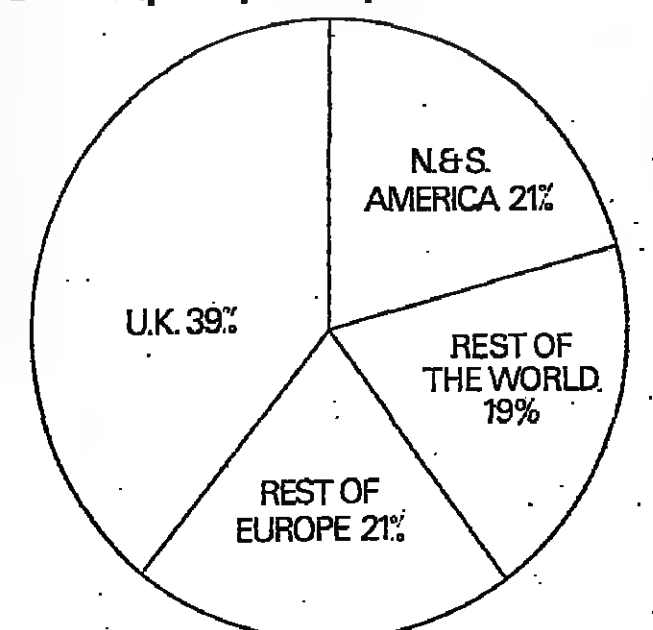
The Trans-Alaska pipeline is now operating at nearly 1.2 million barrels per day and in consequence BP has this week earned its majority shareholding in Sohio . . .

However, one cannot help feeling concerned that the present temporary surplus of crude oil in the world has tended to encourage complacency about the longer term position . . .

Today BP not only continues to trade in substantial quantities of OPEC oil, but also has a predominant position in the production of oil from non-OPEC countries . . .

David Steel

## BP Group's capital expenditure—1977



1977 Results	
Total sales volume	175 million tonnes
Sales proceeds	over £14,500 million
Profit before UK tax	£824 million
Net profit (before extraordinary items)	£358 million
Earnings per stock unit	92.6 pence
Dividends per stock unit	22.1 pence
Return on capital employed	9.8%
Return on Stockholders' funds	11.2%

## Europe

The surplus of shipping and distillation capacity in Europe resulted in unprofitable trading conditions. BP is taking steps to tackle this problem, including temporarily closing its Rotterdam refinery and laying-up five supertankers.

## The USA

BP's stake in the United States increased in 1977 with the completion of the Trans-Alaska Pipeline System and the start of crude oil production from Prudhoe Bay.

Sohio has made progress in its discussions with the State of California about the building of the Trans-US pipeline. Such a pipeline will ease the problems of marketing Alaskan crude.

Profits from the United States are expected to rise substantially over last year's level of some £30 million.

## Stockholders

The Group gained 70,000 new stockholders in 1977, following the sale by the UK Government of 17.2% of BP's stock. This brings the total to 204,000 including those in the United States. Dividends paid for 1977 amounted to £87 million, representing less than 2% of capital employed. A further £30 million has been reserved for dividend distribution when government policy allows.

## North Sea

BP's production of North Sea oil will continue to increase, with the Forties Field now producing 500,000 barrels per day, and with the commissioning of the Ninian Field, in which BP has a significant stake. 1978 will also see the final repayment of the Forties Field loan.

In the long term, the government will take 75% of all BP's North Sea oil profits by way of taxes and royalties.

## Investment

Overall investment will run at some £1,250 million in 1978 and, in the UK sector of the North Sea, will include starting on the 5-year programme for the development of BP's Magnus Field and continuing the development of the Buchan Field.

Further investment is also planned for BP's refining and marketing activities in order to improve profitability.

Our return on capital employed—9.8 per cent—is unsatisfactory to maintain our business in the face of inflation.

## A Continuing International Role

1978 is a year in which we expect progress on many fronts. We shall continue to trade and explore world-wide, and to extend our interests in other forms of energy—for example, coal—and in other activities such as mineral exploration, nutrition and the sale of technology.

With a track record for finding oil which is the envy of every other oil company in the world, we look forward to the future confident in our efforts to find and develop more of the world's energy.

If you would like a copy of the 1977 BP Annual Report please return the coupon.

To: The Secretary,  
The British Petroleum Company Limited,  
Britannic House, Moor Lane, London, EC2Y 9BU.

Name \_\_\_\_\_

Address \_\_\_\_\_

SAVE IT BP

## OIL AND GAS NEWS

# Philippines oil to flow in 1979

THE PHILIPPINES will start producing oil commercially in the second quarter of 1979 following the installation next April of a 42m. (23m.) production platform with a maximum daily capacity of 1,000 barrels. The Philippine Petroleum Association.

The association's president, Mr. de Venecia, said the platform, to be owned jointly by a group of Filipino and American firms, is to be set up in the Nido field off Palawan province, 250 miles south-west of Manila, where the group struck oil in two drill sites in 1978.

The drilling consortium is headed by the Oklahoma-based Cities Service Company, which long with some other American firms own 52 per cent of the production (Nido). Its four Filipino partners, including Mr. de Venecia's Land Oil Resources, share the remaining 48 per cent, he said.

He added that a number of international and U.S. banks, including Chase Manhattan, have agreed to finance the platform and that a Filipino-American group is to announce on May 12 Houston, Texas, the winners of international bids for the platform.

The platform is for the West No. 1 well, two and a half miles west of another well, South No. 1. Both flowed oil at 100 bbls, respectively, during tests in 1978. Mr. de Venecia said the flow rates are among the highest in the south-east Asia.

## RESULTS AND ACCOUNTS IN BRIEF

ATOMATED SECURITY (HOLDINGS) results for year to November 30, 1977, ended April 27 with comments on previous year. Group fixed assets £2,210,000. Net current assets £12,250,000. Increase in net assets £1,250,000. (1976-77) £12,250,000. London Trust funds 1977 results for year to November 30, 1977, ended April 27. Results for 1977: NW, on May 23 at noon.

GENERAL AND COMMERCIAL INVESTMENT TRUST—Results for year to November 30, 1977, ended April 14. Investments at mid-market value £1,100,000. (1976-77) £1,100,000. Net current assets £12,250,000. Increase in net assets £1,250,000. (1976-77) £12,250,000. London Trust funds 1977 results for year to November 30, 1977, ended April 27. Results for 1977: NW, on May 23 at noon.

ROCK AND WILCOX—Results for year to November 30, 1977, ended April 14. Investments at mid-market value £1,100,000. (1976-77) £1,100,000. Net current assets £12,250,000. Increase in net assets £1,250,000. (1976-77) £12,250,000. London Trust funds 1977 results for year to November 30, 1977, ended April 27. Results for 1977: NW, on May 23 at noon.

STERN MOTOR HOLDINGS—Results for year to November 30, 1977, ended April 14. Investments at mid-market value £1,100,000. (1976-77) £1,100,000. Net current assets £12,250,000. Increase in net assets £1,250,000. (1976-77) £12,250,000. London Trust funds 1977 results for year to November 30, 1977, ended April 27. Results for 1977: NW, on May 23 at noon.

STERN MOTOR HOLDINGS—Results for year to November 30, 1977, ended April 14. Investments at mid-market value £1,100,000. (1976-77) £1,100,000. Net current assets £12,250,000. Increase in net assets £1,250,000. (1976-77) £12,250,000. London Trust funds 1977 results for year to November 30, 1977, ended April 27. Results for 1977: NW, on May 23 at noon.

The British Petroleum Company Limited







# INTERNATIONAL FINANCIAL AND COMPANY NEWS

## AMERICAN NEWS

### White Weld economist quits post

By John Wyles

NEW YORK, May 4. MR. A. GARY SHILLING, senior economist at White Weld and Co., has resigned his post in what is believed to be the first major defection since White Weld was acquired by Merrill Lynch in the middle of April.

Mr. Shilling, a highly respected figure on Wall Street, is understood to have been handed his resignation soon after Merrill Lynch's surprise \$50m. purchase was announced on April 14. A former employee of Merrill Lynch, he moved to White Weld after a rumoured policy disagreement with Mr. Donald Regan, chairman of Merrill Lynch.

Merrill Lynch has been reluctant to discuss staffing changes following the acquisition, but Wall Street has been alive with both bunting and being bunted for other positions. There is considerable overlap between analysts in the two companies, as indeed there was at the level of senior economist, a post filled at Merrill Lynch by Mr. Alvert Cox. "You only need one economist," said a source at Merrill Lynch this morning, confirming that Mr. Shilling had left.

Meanwhile, Credit Suisse's offer to buy out the 51 per cent stake in the European Investment Bank, Credit Suisse White Weld (CSWW) now held by Merrill Lynch, becomes effective to-morrow. Although Credit Suisse, CSWW and Merrill Lynch have been discussing possible areas of co-operation, Credit Suisse is confidently expected to exercise its option during the 10 days allowed by the original Merrill Lynch-White Weld agreement.

## BRIEFLY

### Steady progress at Ahmanson

REPORTING FIRST quarter net profit, R. F. Ahmanson says the per share amount comes to \$1.14 against 83 cents last year. Research Machine Tool was similarly ahead with \$1.12 against 76 cents while Chicago Pneumatic Tool showed 95 cents, up from 39 cents for the previous year's first period. At Maryland Cup Corporation, the gain was from 55 cents a share last time to 58 cents this year, while Niagara Mohawk Power came in with 78 cents against 77 cents.

Also for the first quarter, Jefferson-Pilot Corporation reports a gain to 81 cents a share from the 78 cents last time while Emery Air Freight showed 85 cents against 83 cents. Charter Company was also ahead with a net of 14 cents a share against a net from continuing operations last time of 6 cents. Southern New England Telephone reports a gain with \$1.43 going against \$1.05.

### LTV first quarter loss worse than anticipated

By Stewart Fleming

LTV, the U.S. conglomerate which is seeking to merge with Lykes to create the third largest steel producer in the U.S., today announced a heavy first quarter loss of \$25m.

The LTV figure is almost identical with the loss of \$25m. which Lykes itself announced earlier for its first quarter. The proposed merger is being examined by the Justice Department on anti-trust grounds, but most analysts expect it to be approved since it is being presented on the grounds that Lykes could be forced into bankruptcy without the alliance.

While Lykes' problems were well known, and LTV itself suffered a loss of \$59.4m. in 1977, partly as a result of the costs of closing several plants, the first quarter figures for LTV are worse than many analysts had anticipated.

LTV, which achieved notoriety as Ling-Temco-Vought, one of the most aggressive conglomerates headed by Mr. James E. Egan, has in recent years cut back on

the range of businesses in which it operates, and is now engaged in aerospace, foods and steel. Jones and Laughlin Steel, its steel subsidiary, is the seventh largest producer in the U.S.

In its quarterly earnings statement, LTV said that both its food and aerospace units reported operating profits, but that the coal strike badly hit its steel business, with Jones and Laughlin reporting an operating loss of \$15.5m. for the quarter compared with \$3.1m. loss in the first quarter of 1977.

Analysts point out that in 1977 the company's food and aerospace businesses also found the going hard, with the food business losing money in 1977 and Aerospace profits down by around 12 per cent at the operating level.

LTV officials say that they expect to share in the recovery in the steel industry which major companies are predicting for the second quarter. Heavy steel demand has recently lifted operating rates in the industry

to around 90 per cent, according to the American Iron and Steel Institute, and LTV says that "on the basis of continuing strength in the markets for automotive and oil goods, as well as the absence of further penalties from the coal strike, the company expects its steel operations to improve substantially during the remainder of the year."

It added that there was a further decline in operating income from its Vought aerospace unit because of fewer deliveries of military aircraft, but its Wilson Foods unit reported an operating profit in the quarter of \$1.7m. against a loss of \$1.6m. a year ago, with improvements due entirely to fresh meat operations. Meat prices, especially in beef, have been rising sharply recently.

In spite of the brighter forecast, analysts say that assuming the merger with Lykes goes through, the company is still facing a difficult period.

### Upturn at General Dynamics

ST. LOUIS, May 4.

REPORTING an increase in first quarter profit General Dynamics Corporation, the major U.S. aircraft and building materials concern, says that its aerospace units and the Quincy shipbuilding division were the major contributors to earnings. The company's coal mining operation, however, had a "substantial loss" during the quarter.

Net profits for the company rose by 4.7 per cent to \$19.8m. or \$1.86 per share during the first period compared with the same period of last year.

The company notes that the 1978 first quarter includes a \$1.9m. credit equal to 18 cents per share received from Federal Express Corporation. This amount was in payment of a loan previously written off plus past-due interest and dividends. Agencies

### Heinz offer agreed by Weight Watchers

BY DAVID LASCELLES

NEW YORK, May 4.

H. J. HEINZ, the major food company which is in the process of building up its home base after years of expansion abroad, today announced that it had reached an agreement in principle to buy Weight Watchers International, a large diet food maker, based on Long Island.

This is Heinz's second acquisition this year, underscoring its new interest in the U.S. market.

To-day's announcement said that Heinz would buy Weight Watchers for \$24 a share, totalling \$71m., subject to the approval of the Boards of both companies and to the satisfaction of Heinz "as to certain aspects of Weight Watchers' business."

Weight Watchers' sales last year were \$89.2m. and produced earnings of \$4.7m. As its name implies, the company capitalises on the enormous market created by weight-conscious Americans.

It operates mainly by selling licences to food manufacturers to produce diet foods in line with

Weight Watchers' specifications and bearing the Weight Watchers trade mark. But it markets these foods mainly through weight loss classes, which it runs either itself or through franchises both in the U.S. and abroad.

However, one of the conditions attached to Heinz's acquisition is that Weight Watchers amend its licence agreement with Foodways National, the company which Heinz bought in February for approximately \$50m., in order to avoid conflict.

Foodways, whose sales reached \$88m. last year and earned \$3.9m., is a major producer and marketer of frozen meals, bouillon cubes and sugar substitutes bearing the Weight Watchers trade mark.

At the time, Mr. R. Burt Gookin, vice-chairman and chief executive officer of Heinz, said that the acquisition of Foodways would open the way for Heinz into the weight control and nutritional fields.

### Advance at Can Pac Investments

By Robert Gibbens

MONTREAL, May 4.

CANADIAN PACIFIC Investments, holding company for the non-rail interests of the Canadian Pacific Group, earned \$C33.5m. (\$U.S. \$7.5m.) or 58 cents a share, in the first quarter against \$C43.2m. or 73 cents, a year earlier.

Improvements came in the oil and gas, iron and steel forest products subsidiaries, but most of the increase in earnings came from 87 per cent owned Pan-Canadian Petroleum, because of high production of oil and gas and higher prices.

Mines and minerals operations earned less and the hotel subsidiary showed a net loss. The improvement in earnings overall is not expected to be the pattern for the whole year, the company says. CPI continues to be interested in further expansion in the U.S. because of a continuing unfavourable climate in Canada.

### Arabs 'may buy Corco refinery'

NEW YORK, May 4.

AN ARABIAN group, First Arabian Corporation, is reported to be discussing the purchase of a controlling interest in the Puerto Rican refinery of the troubled Commonwealth Oil Refining Company.

Mr. Roger E. Tamraz, chairman of First Arabian, a Luxembourg-chartered holding company controlled by Middle East investors, confirmed in an interview published in the New York Times that he had discussed the possibility of buying into Corco, which has refining operations and petrochemical plants in

Puerto Rico and which has filed for court protection under the Federal Bankruptcy Act. First Arabian's discussions were with Tesoro Petroleum Corporation, the Texas-based oil and gas company which holds 38.7 per cent of Corco, the largest single holding.

Meanwhile, a U.S. judge in San Antonio, Texas, has removed a federal bankruptcy judge handling Corco's proceedings under Chapter 11 of the bankruptcy laws. The removal, which was ordered by Chief U.S. District Judge Adrian A. Spears, fol-

lowed a motion filed by the Puerto Rican government alleging that the judge concerned, Judge Bert W. Thompson, had made derogatory remarks about Puerto Ricans.

Puerto Rican government, requesting the transfer of proceedings from San Antonio to San Juan in Puerto Rico, will be heard in the San Antonio court on May 15. Although Corco is based in San Antonio, it operates a \$10m. oil refinery and petrochemical complex in

### Du Pont in Conoco deal

WILMINGTON, May 4.

DU PONT, the chemicals major, has signed a letter of intent with Continental Oil on the formation of an oil and natural gas exploration partnership in Texas.

The proposed joint venture calls for a total \$130m. expenditure over a five-year period. The proposed partnership, to be called, Conoco-Du Pont Exploration, would be operated by Continental Oil and owned two-thirds by Continental and one-third by Du Pont.

AP-DJ

### Teledyne stake sold

CINCINNATI, May 4.

CERTAIN American Financial Corporation subsidiaries have sold 445,050 shares of Teledyne, according to Mr. Carl H. Lindner, chairman and president of American Financial.

The sale, to Teledyne, was worth about \$40m. based on the current market price of Teledyne stock. The purchase price is payable in cash and notes.

AP-DJ

### Brazil investment rise

BY DIANA SMITH

RIO DE JANEIRO, May 4.

FIXED investment in industrial projects approved by Brazil's Council of Industrial Development picked up by an average of 2 per cent in the first quarter of 1978.

The total for the period was \$428m., compared with \$389m. in the first quarter of 1977. Official figures show that an 80 per cent. drop in investment in projects for the basic metal and intermediary metal industries was offset by a 90 per cent. rise in fixed investment in capital goods and a 796 per cent. rise in investment in non-metallic sectors like cement, paper and pulp.

Investment in the car and car parts industry rose by 102 per

cent, in spite of restrictions on fuel; however, reflecting the Government's call for a decrease in consumer demand, investment in consumer goods projects rose by a modest 20 per cent.

In contrast to the first quarter of 1977, when no projects were approved in the chemicals, petrochemical, and pharmaceutical sectors, a total of \$87m. has now been approved.

Three foreign enterprises—Union Carbide, which plans to set up a ethyl-cellulose plant (\$27.8m.), Hoechst, which plans an organic pigment plant (\$14m.), and Dow Chemical, which plans a research centre, account for the bulk of this increase.

### Tyco lifts Cutler stake

NEW YORK, May 4.

TYCO Laboratories has bought an additional 350,700 shares of Cutler-Hammer common stock, boosting its ownership in the company to 1,416,200 shares or about 24 per cent.

According to a schedule 13D filed with the Securities and Exchange Commission, Tyco said it bought 179,700 shares on Monday and on Tuesday another 171,000. The Tuesday purchases on the open market were at prices ranging from \$47.50 a share to \$48.

Last Friday, a Federal court

denied injunctions against Tyco and Koppers from purchasing additional Cutler-Hammer shares. The Koppers at the time owned the equivalent of 21.3 per cent. of Cutler-Hammer's stock, including 650,000 convertible preferred shares.

Koppers had no comment on Tyco's purchase. Koppers said it has not purchased any additional Cutler-Hammer shares since last Friday when a Federal Court denied injunctions against Tyco and Koppers from adding to their stakes.

AP-DJ

### Boom in retail sales continues

NEW YORK, May 4.

LEADING U.S. retailers have continued to produce rising sales figures for April, with the notable exception of F. W. Woolworth, whose consolidated sales for the 4 weeks to April 25 at \$404m. showed a decline of 0.3 per cent. in last year's comparable figure of \$407m.

Sears Roebuck saw its gross sales for the four-week period to April 25 increase by 13 per cent. on the 1977 figure to a peak \$1.52bn., boosting the total for the 13 weeks to that date by 13 per cent. to a record \$4.52bn.

J. C. Penney featured with a 18.8 per cent. increase in April sales from the 1977 level, making a first quarter sales gain of 20.5 per cent. Volume for the four weeks to April 25 was a record \$715m., against \$598m. for the comparable period last year, which included Easter, while first quarter sales reached a peak \$2.17bn., against \$1.50bn. last year.

K Mart Corporation reports from Troy, Michigan, that sales for the four weeks ended April 28 were \$793.9m., against \$738.6m. for the same period last year. This boosted figures for the 13-week period to that date by 12.5 per cent., from \$2.02bn. to \$2.28bn.

Meanwhile, in Chicago, Mont-

gomery Ward, a unit of Mobil Corporation, said sales for the four weeks ended April 29 rose 8.4 per cent. to \$373.1m., \$344.1m. a year ago. First quarter sales rose 8.2 per cent. to \$1,056m. from \$1,010m. a year earlier.

In St. Louis, May Department Stores reported April sales of \$170.4m., an increase of 8.2 per cent. over last year's \$157.4m. For the 13 weeks, sales increased 7.1 per cent. to \$508.4m. from \$474.7m.

Carter Hawley Hale Stores boosted its April sales by 21.8 per cent., from \$87m. to \$106.2m. This boosted first quarter sales by 11.8 per cent., from \$307.9m. in 1977 to \$344.3m. Agencies

### Phoenix Steel predicts profit

WILMINGTON, May 4.

PHOENIX STEEL Corporation president Mr. Eugene D. Hug told the annual meeting that the company "can achieve profitability in the second quarter" of this year, marking the first time the company has had a profitable quarter since the first period of 1975.

The positive outlook is due to increased volume and "continued progress in our operating efficiency." In the second quarter of last year the company had a net loss of \$3.1m. on sales of \$22m.

AP-DJ

STRAIGHTS			
Alcan. 1980	90 1/2	91 1/2	92 1/2
Alcoa 1980	91 1/2	92 1/2	93 1/2
Alumina 1980	92 1/2	93 1/2	94 1/2
Aluminum 1980	93 1/2	94 1/2	95 1/2
Aluminum 1981	94 1/2	95 1/2	96 1/2
Aluminum 1982	95 1/2	96 1/2	97 1/2
Aluminum 1983	96 1/2	97 1/2	98 1/2
Aluminum 1984	97 1/2	98 1/2	99 1/2
Aluminum 1985	98 1/2	99 1/2	100 1/2
Aluminum 1986	99 1/2	100 1/2	101 1/2
Aluminum 1987	100 1/2	101 1/2	102 1/2
Aluminum 1988	101 1/2	102 1/2	103 1/2
Aluminum 1989	102 1/2	103 1/2	104 1/2
Aluminum 1990	103 1/2	104 1/2	105 1/2
Aluminum 1991	104 1/2	105 1/2	106 1/2
Aluminum 1992	105 1/2	106 1/2	107 1/2
Aluminum 1993	106 1/2	107 1/2	108 1/2
Aluminum 1994	107 1/2	108 1/2	109 1/2
Aluminum 1995	108 1/2	109 1/2	110 1/2
Aluminum 1996	109 1/2	110 1/2	111 1/2
Aluminum 1997	110 1/2	111 1/2	112 1/2
Aluminum 1998	111 1/2	112 1/2	113 1/2
Aluminum 1999	112 1/2	113 1/2	114 1/2
Aluminum 2000	113 1/2	114 1/2	115 1/2

SELECTED EURO-DOLLAR BOND PRICES			
MID-DAY INDICATIONS			
Alcan. 1980	90 1/2	91 1/2	92 1/2
Alcoa 1980	91 1/2	92 1/2	93 1/2
Alumina 1980	92 1/2	93 1/2	94 1/2
Aluminum 1980	93 1/2	94 1/2	95 1/2
Aluminum 1981	94 1/2	95 1/2	96 1/2
Aluminum 1982	95 1/2	96 1/2	97 1/2
Aluminum 1983	96 1/2	97 1/2	98 1/2
Aluminum 1984	97 1/2	98 1/2	99 1/2
Aluminum 1985	98 1/2	99 1/2	100 1/2
Aluminum 1986	99 1/2	100 1/2	101 1/2
Aluminum 1987	100 1/2	101 1/2	102 1/2
Aluminum 1988	101 1/2	102 1/2	103 1/2
Aluminum 1989	102 1/2	103 1/2	104 1/2
Aluminum 1990	103 1/2	104 1/2	105 1/2
Aluminum 1991	104 1/2	105 1/2	106 1/2
Aluminum 1992	105 1/2	106 1/2	107 1/2
Aluminum 1993	106 1/2	107 1/2	108 1/2
Aluminum 1994	107 1/2	108 1/2	109 1/2
Aluminum 1995	108 1/2	109 1/2	110 1/2
Aluminum 1996	109 1/2	110 1/2	111 1/2
Aluminum 1997	110 1/2	111 1/2	112 1/2
Aluminum 1998	111 1/2	112 1/2	113 1/2
Aluminum 1999	112 1/2	113 1/2	114 1/2
Aluminum 2000	113 1/2	114 1/2	115 1/2

STERLING BONDS			
Alcan. 1980	90 1/2	91 1/2	92 1/2
Alcoa 1980	91 1/2	92 1/2	93 1/2
Alumina 1980	92 1/2	93 1/2	94 1/2
Aluminum 1980	93 1/2	94 1/2	95 1/2
Aluminum 1981	94 1/2	95 1/2	96 1/2
Aluminum 1982	95 1/2	96 1/2	97 1/2
Aluminum 1983	96 1/2	97 1/2	98 1/2
Aluminum 1984	97 1/2	98 1/2	99 1/2
Aluminum 1985	98 1/2	99 1/2	100 1/2
Aluminum 1986	99 1/2	100 1/2	101 1/2
Aluminum 1987	100 1/2	101 1/2	102 1/2
Aluminum 1988	101 1/2	102 1/2	103 1/2
Aluminum 1989	102 1/2	103 1/2	104 1/2
Aluminum 1990	103 1/2	104 1/2	105 1/2
Aluminum 1991	104 1/2	105 1/2	106 1/2
Aluminum 1992	105 1/2	106 1/2	107 1/2
Aluminum 1993	106 1/2	107 1/2	108 1/2
Aluminum 1994	107 1/2	108 1/2	109 1/2
Aluminum 1995	108 1/2	109 1/2	110 1/2
Aluminum 1996	109 1/2	110 1/2	111 1/2
Aluminum 1997	110 1/2	111 1/2	112 1/2
Aluminum 1998	111 1/2	112 1/2	113 1/2
Aluminum 1999	112 1/2	113 1/2	114 1/2
Aluminum 2000	113 1/2	114 1/2	115 1/2

Report and audited statement of accounts, the election of members and deputy members of the Board and the Auditors and the declaration of a dividend in respect of the year ended 31st December, 1977. It is proposed that, following approval by the Ordinary General Meeting, the dividend will be paid on 5th June, 1978 to shareholders registered on 29th May, 1978.			
In order to take part in the Ordinary General Meeting, shareholders must be registered in their own name at the Swedish Securities Register Centre (VPC) not later than 12th May, 1978. Shares registered in the names of			
CGMF 1980 72pc 104 1/2 105 1/2			
Creditanstalt 1894 72pc 97 1/2 98 1/2			
Crested Loam 1980 72pc 97 1/2 98 1/2			
DGL Bank 1983 72pc 104 1/2 105 1/2			
GEB 1981 81pc 104 1/2 105 1/2			
Gul. Westmanna 1984 5pc 104 1/2 105 1/2			
Lwards 1982 72pc 104 1/2 105 1/2			
LTCB 1983 5pc 104 1/2 105 1/2			
Midland 1982 80pc 97 1/2 98 1/2			
Midland 1987 72 1/2 99 1/2 100 1/2			
OKB 1983 72pc 97 1/2 98 1/2			
SNCB 1983 61pc 97 1/2 98 1/2			
Std. and Child. 54 72pc 97 1/2 98 1/2			
Vinn. and Capw. 54 72pc 97 1/2 98 1/2			
Source: White Wall Securities.			
CONVERTIBLES			
American Express 6pc 97 1/2 98 1/2			
Ashland 5pc 1980 97 1/2 98 1/2			
Babcock & Wilcox 4pc 97 1/2 98 1/2			
Bentley 1980 72pc 97 1/2 98 1/2			
Bentley 1981 72pc 97 1/2 98 1/2			
Bentley 1982 72pc 97 1/2 98 1/2			
Bentley 1983 72pc 97 1/2 98 1/2			
Bentley 1984 72pc 97 1/2 98 1/2			
Bentley 1985 72pc 97 1/2 98 1/2			
Bentley 1986 72pc 97 1/2 98 1/2			
Bentley 1987 72pc 97 1/2 98 1/2			
Bentley 1988 72pc 97 1/2 98 1/2			
Bentley 1989 72pc 97 1/2 98 1/2			
Bentley 1990 72pc 97 1/2 98 1/2			
Bentley 1991 72pc 97 1/2 98 1/2			
Bentley 1992 72pc 97 1/2 98 1/2			
Bentley 1993 72pc 97 1/2 98 1/2			
Bentley 1994 72pc 97 1/2 98 1/2			
Bentley 1995 72pc 97 1/2 98 1/2			
Bentley 1996 72pc 97 1/2 98 1/2			
Bentley 1997 72pc 97 1/2 98 1/2			
Bentley 1998 72pc 97 1/2 98 1/2			
Bentley 1999 72pc 97 1/2 98 1/2			
Bentley 2000 72pc 97 1/2 98 1/2			
Bentley 2001 72pc 97 1/2 98 1/2			
Bentley 2002 72pc 97 1/2 98 1/2			
Bentley 2003 72pc 97 1/2 98 1/2			
Bentley 2004 72pc 97 1/2 98 1/2			
Bentley 2005 72pc 97 1/2 98 1/2			
Bentley 2006 72pc 97 1/2 98 1/2			
Bentley 2007 72pc 97 1/2 98 1/2			
Bentley 2008 72pc 97 1/2 98 1/2			
Bentley 2009 72pc 97 1/2 98 1/2			
Bentley 2010 72pc 97 1/2 98 1/2			
Bentley 2011 72pc 97 1/2 98 1/2			
Bentley 2012 72pc 97 1/2 98 1/2			
Bentley 2013 72pc 97 1/2 98 1/2			
Bentley 2014 72pc 97 1/2 98 1/2			
Bentley 2015 72pc 97 1/2 98 1/2			
Bentley 2016 72pc 97 1/2 98 1/2			
Bentley 2017 72pc 97 1/2 98 1/2			
Bentley 2018 72pc 97 1/2 98 1/2			
Bentley 2019 72pc 97 1/2 98 1/2			
Bentley 2020 72pc 97 1/2 98 1/2			
Bentley 2021 72pc 97 1/2 98 1/2			
Bentley 2022 72pc 97 1/2 98 1/2			
Bentley 2023 72pc 97 1/2 98 1/2			
Bentley 2024 72pc 97 1/2 98 1/2			
Bentley 2025 72pc 97 1/2 98 1/2			
Bentley 2026 72pc 97 1/2 98 1/2			
Bentley 2027 72pc 97 1/2 98 1/2			
Bentley 2028 72pc 97 1/2 98 1/2			
Bentley 2029 72pc 97 1/2 98 1/2			
Bentley 2030 72pc 97 1/2 98 1/2			
Bentley 2031 72pc 97 1/2 98 1/2			
Bentley 2032 72pc 97 1/2 98 1/2			
Bentley 2033 72pc 97 1/2 98 1/2			
Bentley 2034 72pc 97 1/2 98 1/2			
Bentley 2035 72pc 97 1/2 98 1/2			
Bentley 2036 72pc 97 1/2 98 1/2			
Bentley 2037 72pc 97 1/2 98 1/2			
Bentley 2038 72pc 97 1/2 98 1/2			
Bentley 2039 72pc 97 1/2 98 1/2			
Bentley 2040 72pc 97 1/2 98 1/2			
Bentley 2041 72pc 97 1/2 98 1/2			
Bentley 2042 72pc 97 1/2 98 1/2			
Bentley 2043 72pc 97 1/2 98 1/2			
Bentley 2044 72pc 97 1/2 98 1/2			
Bentley 2045 72pc 97 1/2 98 1/2			
Bentley 2046 72pc 97 1/2 98 1/2			
Bentley 2047 72pc 97 1/2 98 1/2			
Bentley 2048 72pc 97 1/2 98 1/2			
Bentley 2049 72pc 97 1/2 98 1/2			
Bentley 2050 72pc 97 1/2 98 1/2			
Bentley 2051 72pc 97 1/2 98 1/2			
Bentley 2052 72pc 97 1/2 98 1/2			
Bentley 2053 72pc 97 1/2 98 1/2			
Bentley 2054 72pc 97 1/2 98 1/2			
Bentley 2055 72pc 97 1/2 98 1/2			
Bentley 2056 72pc 97 1/2 98 1/2			
Bentley 2057 72pc 97 1/2 98 1/2			
Bentley 2058 72pc 97 1/2 98 1/2			
Bentley 2059 72pc 97 1/2 98 1/2			
Bentley 2060 72pc 97 1/2 98 1/2			
Bentley 2061 72pc 97 1/2 98 1/2			
Bentley 2062 72pc 97 1/2 98 1/2			
Bentley 2063 72pc 97 1/2 98 1/2			
Bentley 2064 72pc 97 1/2 98 1/2			
Bentley 2065 72pc 97 1/2 98 1/2			
Bentley 2066 72pc 97 1/2 98 1/2			
Bentley 2067 72pc 97 1/2 98 1/2			
Bentley 2068 72pc 97 1/2 98 1/2			
Bentley 2069 72pc 97 1/2 98 1/2			
Bentley 2070 72pc 97 1/2 98 1/2			
Bentley 2071 72pc 97 1/2 98 1/2			
Bentley 2072 72pc 97 1/2 98 1/2			
Bentley 2073 72pc 97 1/2 98 1/2			
Bentley 2074 72pc 97 1/2 98 1/2			
Bentley 2075 72pc 97 1/2 98 1/2			
Bentley 2076 72pc 97 1/2 98 1/2			
Bentley 2077 72pc 97 1/2 98 1/2			
Bentley 2078 72pc 97 1/2 98 1/2			
Bentley 2079 72pc 97 1/2 98 1/2			
Bentley 2080 72pc 97 1/2 98 1/2			
Bentley 2081 72pc 97 1/2 98 1/2			
Bentley 2082 72pc 97 1/2 98 1/2			
Bentley 2083 72pc 97 1/2 98 1/2			
Bentley 2084 72pc 97 1/2 98 1/2			
Bentley 2085 72pc 97 1/2 98 1/2			
Bentley 2086 72pc 97 1/2 98 1/2			
Bentley 2087 72pc 97 1/2 98 1/2			
Bentley 2088 72pc 97 1/2 98 1/2			
Bentley 2089 72pc 97 1/2 98 1/2			
Bentley 2090 72pc 97 1/2 98 1/2			
Bentley 2091 72pc 97 1/2 98 1/2			
Bentley 2092 72pc 97 1/2 98 1/2			
Bentley 2093 72pc 97 1/2 98 1/2			
Bentley 2094 72pc 97 1/2 98 1/2			
Bentley 2095 72pc 97 1/2 98 1/2			
Bentley 2096 72pc 97 1/2 98 1/2			
Bentley 2097 72pc 97 1/2 98 1/2			
Bentley 2098 72pc 97 1/2 98 1/2			
Bentley 2099 72pc 97 1/2 98 1/2			
Bentley 2100 72pc 97 1/2 98 1/2			
Bentley 2101 72pc 97 1/2 98 1/2			
Bentley 2102 72pc 97 1/2 98 1/2			
Bentley 2103 72pc 97 1/2 98 1/2			
Bentley 2104 72pc 97 1/2 98 1/2			
Bentley 2105 72pc 97 1/2 98 1/2			
Bentley 2106 72pc 97 1/2 98 1/2			
Bentley 2107 72pc 97 1/2 98 1/2			
Bentley 2108 72pc 97 1/2 98 1/2			
Bentley 2109 72pc 97 1/2 98 1/2			
Bentley 2110 72pc 97 1/2 98 1/2			
Bentley 2111 72pc 97 1/2 98 1/2			
Bentley 2112 72pc 97 1/2 98 1/2			
Bentley 2113 72pc 97 1/2 98 1/2			
Bentley 2114 72pc 97 1/2 98 1/2			
Bentley 2115 72pc 97 1/2 98 1/2			
Bentley 2116 72pc 97 1/2 98 1/2			
Bentley 2117 72pc 97 1/2 98 1/2			
Bentley 2118 72pc 97 1/2 98 1/2			
Bentley 2119 72pc 97 1/2 98 1/2			
Bentley 2120 72pc 97 1/2 98 1/2			
Bentley 2121 72pc 97 1/2 98 1/2			
Bentley 2122 72pc 97 1/2 98 1/2			
Bentley 2123 72pc 97 1/2 98 1/2			
Bentley 2124 72pc 97 1/2 98 1/2			
Bentley 2125 72pc 97 1/2 98 1/2			
Bentley 2126 72pc 97 1/2 98 1/2			
Bentley 2127 72pc 97 1/2 98 1/2			
Bentley 2128 72pc 97 1/2 98 1/2			
Bentley 2129 72pc 97 1/2 98 1/2			
Bentley 2130 72pc 97 1/2 98 1/2			
Bentley 2131 72pc 97 1/2 98 1/2			
Bentley 2132 72pc 97 1/2 98 1/2			
Bentley 2133 72pc 97 1/2 98 1/2			
Bentley 2134 72pc 97 1/2 98 1/2			
Bentley 2135 72pc 97 1/2 98 1/2			
Bentley 2136 72pc 97 1/2 98 1/2			
Bentley 2137 72pc 97 1/2 98 1/2			
Bentley 2138 72pc 97 1/2 98 1/2			
Bentley 2139 72pc 97 1/2 98 1/2			
Bentley 2140 72pc 97 1/2 98 1/2			
Bentley 2141 72pc 97 1/2 98 1/2			
Bentley 2142 72pc 97 1/2 98 1/2			
Bentley 2143 72pc 97 1/2 98 1/2			
Bentley 2144 72pc 97 1/2 98 1/2			
Bentley 2145 72pc 97 1/2 98 1/2			
Bentley 2146 72pc 97 1/2 98 1/2			
Bentley 2147 72pc 97 1/2 98 1/2			
Bentley 2148 72pc 97 1/2 98 1/2			
Bentley 2149 72pc 97 1/2 98 1/2			
Bentley 2150 72pc 97 1/2 98 1/2			
Bentley 2151 72pc 97 1/2 98 1/2			
Bentley 2152 72pc 97 1/2 98 1/2			
Bentley 2153 72pc 97 1/2 98 1/2			
Bentley 2154 72pc 97 1/2 98 1/2			
Bentley 2155 72pc 97 1/2 98 1/2			
Bentley 2156 72pc 97 1/2 98 1/2			
Bentley 2157 72pc 97 1/2 98 1/2			
Bentley 2158 72pc 97 1/2 98 1/2			
Bentley 2159 72pc 97 1/2 98 1/2			
Bentley 2160 72pc 97 1/2 98 1/2			
Bentley 2161 72pc 97 1/2 98 1/2			
Bentley 2162 72pc 97 1/2 98 1/2			
Bentley 2163 72pc 97 1/2 98 1/2			
Bentley 2164 72pc 97 1/2 98 1/2			
Bentley 2165 72pc 97 1/2 98 1/2			
Bentley 2166 72pc 97 1/2 98 1/2			
Bentley 2167 72pc 97 1/2 98 1/2			
Bentley 2168 72pc 97 1/2 98 1/2			
Bentley 2169 72pc 97 1/2 98 1/2			
Bentley 2170 72pc 97 1/2 98 1/2			
Bentley 2171 72pc 97 1/2 98 1/2			
Bentley 2172 72pc 97 1/2 98 1/2			
Bentley 2173 72pc 97 1/2 98 1/2			
Bentley 2174 72pc 97 1/2 98 1/2			
Bentley 2175 72pc 97 1/2 98 1/2			
Bentley 2176 72pc 97 1/2 98 1/2			
Bentley 2177 72pc 97 1/2 98 1/2			
Bentley 2178 72pc 97 1/2 98 1/2			
Bentley 2179 72pc 97 1/2 98 1/2			
Bentley 2180 72pc 97 1/2 98 1/2			
Bentley 2181 72pc 97 1/2 98 1/2			
Bentley 2182 72pc 97 1/2 98 1/2			
Bentley 2183 72pc 97 1/2 98 1/2			
Bentley 2184 72pc 97 1/2 98 1/2			
Bentley 2185 72pc 97 1/2 98 1/2			
Bentley 2186 72pc 97 1/2 98 1/2			
Bentley 2187 72pc 97 1/2 98 1/2			
Bentley 2188 72pc 97 1/2 98 1/2			
Bentley 2189 72pc 97 1/2 98 1/2			
Bentley 2190 72pc 97 1/2 98 1/2			
Bentley 2191 72pc 97 1/2 98 1/2			
Bentley 2192 72pc 97 1/2 98 1/2			
Bentley 2193 72pc 97 1/2 98 1/2			
Bentley 2194 72pc 97 1/2 98 1/2			
Bentley 2195 72pc 97 1/2 98 1/2			
Bentley 2196 72pc 97 1/2 98 1/2			
Bentley 2197 72pc 97 1/2 98 1/2			
Bentley 2198 72pc 97 1/2 98 1/2			
Bentley 2199 72pc 97 1/2 98 1/2			
Bentley 2200 72pc 97 1/2 98 1/2			
Bentley 2201 72pc 97 1/2 98 1/2			
Bentley 2202 72pc 97 1/2 98 1/2			
Bentley 2203 72pc 97 1/2 98 1/2			
Bentley 2204 72pc 97 1/2 98 1/2			
Bentley 2205 72pc 97 1/2 98 1/2			
Bentley 2206 72pc 97 1/2 98 1/2			
Bentley 2207 72pc 97 1/2 98 1/2			
Bentley 2208 72pc 97 1/2 98 1/2			
Bentley 2209 72pc 97 1/2 98 1/2			
Bentley 2210 72pc 97 1/2 98 1/2			
Bentley 2211 72pc 97 1/2 98 1/2			
Bentley 2212 72pc 97 1/2 98 1/2			
Bentley 2213 72pc 97 1/2 98 1/2			
Bentley 2214 72pc 97 1/2 98 1/2			
Bentley 2215 72pc 97 1/2 98 1/2			
Bentley 2216 72pc 97 1/2 98 1/2			
Bentley 2217 72pc 97 1/2 98 1/2			
Bentley 2218 72pc 97 1/2 98 1/2			
Bentley 2219 72pc 97 1/2 98 1/2			
Bentley 2220 72pc 97 1/2 98 1/2			
Bentley 2221 72pc 97 1/2 98 1/2			
Bentley 2222 72pc 97 1/2 98 1/2			
Bentley 2223 72pc 97 1/2 98 1/2			
Bentley 2224 72pc 97 1/2 98 1/2			
Bentley 2225 72pc 97 1/2 98 1/2			
Bentley 2226 72pc 97 1/2 98 1/2			
Bentley 2227 72pc 97 1/2 98 1/2			
Bentley 2228 72pc 97 1/2 98 1/2			
Bentley 2229 72pc 97 1/2 98 1/2			
Bentley 2230 72pc 97 1/2 98 1/2			
Bentley 2231 72pc 97 1/2 98 1/2			
Bentley 2232 72pc 97 1/2 98 1/2			
Bentley 2233 72pc 97 1/2 98 1/2			
Bentley 2234 72pc 97 1/2 98 1/2			
Bentley 2235 72pc 97 1/2 98 1/2			
Bentley 2236 72pc 97 1/2 98 1/2			
Bentley 2237 72pc 97 1/2 98 1/2			
Bentley 2238 72pc 97 1/2 98 1/2			
Bentley 2239 72pc 97 1/2 98 1/2			
Bentley 2240 72pc 97 1/2 98 1/2			
Bentley 2241 72pc 97 1/2 98 1/2			
Bentley 2242 72pc 97 1/2 98 1/2			
Bentley 2243 72pc 97 1/2 98 1/2			
Bentley 2244 72pc 97 1/2 98 1/2			
Bentley 2245 72pc 97 1/2 98 1/2			
Bentley 2246 72pc 97 1/2 98 1/2			
Bentley 2247 72pc 97 1/2 98 1/2			
Bentley 2248 72pc 97 1/2 98 1/2			
Bentley 2249 72pc 97 1/2 98 1/2			
Bentley 2250 72pc 97 1/2 98 1/2			
Bentley 2251 72pc 97 1/2 98 1/2			
Bentley 2252 72pc 97 1/2 98 1/2			
Bentley 2253 72pc 97 1/2 98 1/2			
Bentley 2254 72pc 97 1/2 98 1/2			
Bentley 2255 72pc 97 1/2 98 1/2			
Bentley 2256 72pc 97 1/2 98 1/2			
Bentley 2257 72pc 97 1/2 98 1/2			
Bentley 2258 72pc 97 1/2 98 1/2			
Bentley 2259 72pc 97 1/2 98 1/2			
Bentley 2260 72pc 97 1/2 98 1/2			
Bentley 2261 72pc 97 1/2 98 1/2			
Bentley 2262 72pc 97 1/2 98 1/2			
Bentley 2263 72pc 97 1/2 98 1/2			
Bentley 2264 72pc 97 1/2 98 1/2			
Bentley 2265 72pc 97 1/2 98 1/2			
Bentley 2266 72pc 97 1/2 98 1/2			
Bentley 2267 72pc 97 1/2 98 1/2			
Bentley 2268 72pc 97 1/2 98 1/2			
Bentley 2269 72pc 97 1/2 98 1/2			
Bentley 2270 72pc 97 1/2 98 1/2			
Bentley 2271 72pc 97 1/2 98 1/2			
Bentley 2272 72pc 97 1/2 98 1/2			
Bentley 2273 72pc 97 1/2 98 1/2			
Bentley 2274 72pc 97 1/2 98 1/2			
Bentley 2275 72pc 97 1/2 98 1/2			
Bentley 2276 72pc 97 1/2 98 1/2			
Bentley 2277 72pc 97 1/2 98 1/2			
Bentley 2278 72pc 97 1/2 98 1/2			
Bentley 2279 72pc 97 1/2 98 1/2			
Bentley 2280 72pc 97 1/2 98 1/2			
Bentley 2281 72pc 97 1/2 98 1/2			
Bentley 2282 72pc 97 1/2 98 1/2			
Bentley 2283 72pc			



## INTERNATIONAL FINANCIAL AND COMPANY NEWS

## LENDING TO ALGERIA

## Financing Sonatrach until 2005

BY FRANCIS GHILES, RECENTLY IN ALGIERS

SONATRACH, the Algerian State oil company, intends to raise \$3.1bn. in foreign loans this year, a further \$3.2bn. next year and \$2.8bn. in 1980. By 2005 it will have raised, if all goes well, \$17.3bn. in hard currency. Meanwhile repayment of foreign debt will rise from \$122m. annually to \$2,060m. in 1984 and 1985. Thereafter it will decline, falling to less than \$1bn. after 1988.

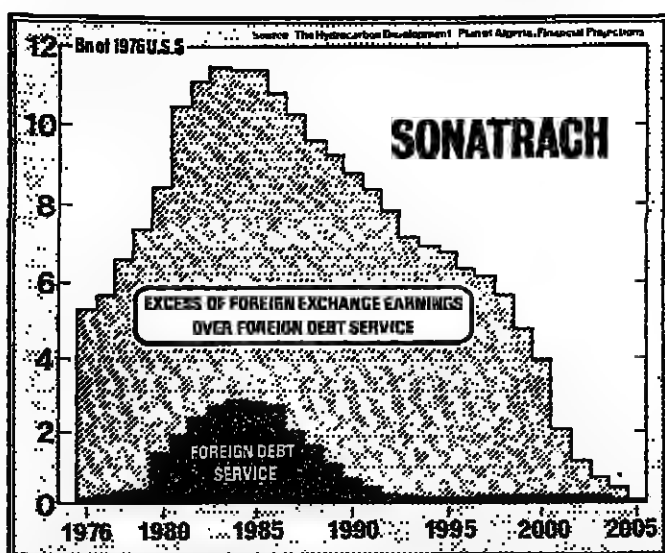
These figures ensure that Algeria, which has been an active Eurozone borrower, will remain in the top league for the next decade, the period in which its loans will be concentrated. These figures appear in an exhaustive study, "The Hydrocarbon Development Plan of Algeria—Financial Projections, 1976-2005"—prepared by Sonatrach and Bechtel Corporation, a major contractor for Algeria's gas industry.

This report, which is itself based on DeGolyer and MacNaughton's "Report on Oil, Gas, Condensates and LPG Reserves of Algeria" completed last August, is currently being presented to bankers and senior officials from central banks and export credit organisations throughout Europe, North America and Asia. Dillon Read is advising Sonatrach throughout this operation.

The report states that if developments in the gas sector particularly go according to plan, the net foreign exchange inflow to Sonatrach over the next 29 years will oscillate between \$8bn. and \$9bn. every year (last year that figure was just over \$3bn.). Costs however will be increasing essentially over the next eight years (85 per cent. of the projected \$33.4bn. investment).

Foreign revenues from oil will be greater than those from gas only until 1981. Most of the investment will go to the gas sector, and demands on the banks will be large.

About two-thirds of the hard currency Sonatrach needs in the next three years is expected to come from export credit organisations. Most see no difficulty in lending the amounts Algeria is asking for, but the U.S. Eximbank is more cautious. It is a British mission to prepare to double its present exposure in Algeria, which is not far short of \$800m. If contracts to increase it.



currently being negotiated are confirmed. This is a remarkable development considering that the bank did hardly any business last August, is currently being presented to bankers and senior officials from central banks and export credit organisations throughout Europe, North America and Asia. Dillon Read is advising Sonatrach throughout this operation.

The Japanese Eximbank should have no problem either, especially in view of the fact that Algeria absorbed 10 per cent. of the exports of Japanese capital goods last year, and looks like repeating that performance this year. The Canadian and Italian export credit organisations have all made room for \$8bn. and \$9bn. every year (last year that figure was just over \$3bn.). Costs however will be increasing essentially over the next eight years (85 per cent. of the projected \$33.4bn. investment).

Foreign revenues from oil will be greater than those from gas only until 1981. Most of the investment will go to the gas sector, and demands on the banks will be large.

About two-thirds of the hard currency Sonatrach needs in the next three years is expected to come from export credit organisations. Most see no difficulty in lending the amounts Algeria is asking for, but the U.S. Eximbank is more cautious. It is a British mission to prepare to double its present exposure in Algeria, which is not far short of \$800m. If contracts to increase it.

Sonatrach is currently negotiating at least \$1bn. worth of credits in the international financial markets. The smallest loan, for \$170m., is being privately arranged. Two \$250m. loans are being arranged, one managed by a group of six banks, the other by Toronto Dominion. All three will carry the guarantee of the Banque Algérienne de Développement, the only one of the three leading Algerian banks to have a charter which allows it to give the sovereign (State) guarantee.

Attention is currently focusing more than in the past on the nature of the guarantees. Banks are divided on the question of whether, in a country like Algeria where all major companies (and certainly all companies which borrow in hard currency) are state-owned, it really makes much difference whether they get a sovereign guarantee or one from the two other leading banks, the Banque Extérieure d'Algérie (BEA) or the Banque Nationale d'Algérie (BNA).

Those who insist that a sovereign guarantee is of the higher quality have good reasons. One is that makes the purchase look more attractive in the market. Secondly, it makes the bank management's task with its Board of directors — in the case of U.S. banks — much easier.

Those banks which are more relaxed about the kind of guarantee they get argue that all is in the hands of the State in Algeria. If one Algerian borrower, particularly Sonatrach, failed to pay, it is by no means clear that those banks which have loans outstanding under a sovereign guarantee would be at an advantage — and be repaid earlier — than those with loans outstanding which carried a BNA or a BEA guarantee.

They also point out that any hiccup in repayments would have immediate consequences through the play of cross default clauses: supplier and export credits would dry up overnight. M. Seghir Mustefai, the Governor of Algeria's Banque Centrale, argues forcefully that in the event, which he regards as unthinkable, that an Algerian borrower should default, the arguments about the respective value of the guarantees which Algerian banks provide are legal niceties which mean little. He argues that banks which know Algeria well view it as a serious partner, which has always been scrupulous in its behaviour.

Some bankers, who agree with him, wonder why giving sovereign guarantees is such a sticking point for Algeria. They also point out however, that this would not necessarily give Algeria the security it is the Banque Centrale which holds the reserves: were there ever difficulties, none of the banks which give guarantees have their hands on hard currency. The circle is thus squared.

Apart from the question of guarantees, the other major problem troubling bankers is the confusion in the way Algeria comes in the market. Deals are often negotiated without apparent coordination and without information about one loan being passed on to the banks arranging the others.

This is a long standing complaint about the way Algeria handles its relationships with the Eurozone and banks. It is a disappointing fact, despite the creation last year in Algiers of a committee to co-ordinate foreign borrowing. It looks as if confusion will continue to prevail.

## Second half downturn for Cold Storage

By H. F. Lee

SINGAPORE, May 1. GROUP PRE-TAX profit at Cold Storage Holdings slipped by about 1 per cent. to \$821.43m. (S.U.S.9.2m.) in the year ended January, 1978.

The preliminary statement by the group gave no indication of the reasons for the decline, however, which came on top of a 7 per cent. increase in turnover to \$8193.5m. (S.U.S.83m.).

At the interim stage the group, which is a leading food wholesaler and retailer in Singapore, reported increases in group turnover and pre-tax profit of 9 per cent. and 3 per cent. respectively, and forecast a marginal improvement in profit for the full year.

The second half appeared to have been more severely affected by factors cited by the group than as affecting its profitability in the first half—increasing raw material costs, price restraints and increased competition.

The directors have proposed a final dividend of 6 cents per share, making a total of 10.5 cents for the year, unchanged from the previous year.

## Jardine sells Khincio unit

By Our Own Correspondent

SINGAPORE, May 4. JARDINE MATHESON AND CO. (South East Asia) has agreed to sell its wholly owned subsidiary, Khincio (Singapore), to a private local company, Office Equipment Manufacturers, for \$84m. (\$US1.7m.) in cash.

Khincio, which is involved in manufacturing steel furniture and storage systems, has an issued capital of \$569,558 and last year sustained a loss of \$816,637 (\$US30,000).

Khincio was originally acquired by Jardine for \$84.33m., including an element of goodwill which has since been written off.

Jardine stated that the financial implications of this transaction have been taken into account in fixing the terms of the sale, which is to be completed by the end of the month.

The total consideration, which will be adjusted to reflect Khincio's actual net current assets at the date of completion of the sale, is to be settled by an initial deposit of \$81.5m. and the balance in three annual instalments with interest chargeable.

The proceeds will be applied to reduce the group's debt and interest charges. Jardine decided to sell the subsidiary because it felt that as the group's only light industrial operation, Khincio was not compatible with other group companies activities and the management concentration and support required were not justified.

Our financial staff writes: The reconstruction of Jardine Matheson (South East Asia) plans for which were announced last month—will be carried out by the issue of the minority shareholders of 84 per cent. guaranteed unsecured loan stock, 1985 for each cancelled Ordinary share, under proposals released by the Jardine group.

This will involve the issue of \$84.33m. nominal of the loan stock by a newly incorporated Singapore company, Jardine Matheson Investments (South East Asia), which will be wholly owned within the Jardine group. Shareholders not wishing to accept the loan stock, for which quotation is being sought on the Singapore and Kuala Lumpur stock exchanges, are offered a cash payment at "a small discount" on the nominal value of the loan stock.

## Insurance side fuels rise at Australian Guarantee

BY JAMES FORTH

SYDNEY, May 4.

AUSTRALIAN Guarantee Corporation — Australia's largest finance company, and a partly-owned subsidiary of the Bank of New South Wales—raised group profit 27.6 per cent. to \$17.58m. to \$22.24m. (\$US.25.4m.) in the March half-year. The directors said that the growth had been achieved despite subdued demand. In fact, earnings outpaced the growth in receivables, with gross receivables increasing 15.3 per cent. to \$24.22m. and net receivables by 15.4 per cent. to \$18.55m.

The directors forecast a slower growth rate in receivables in the second half-year, and expect that the profit will be broadly in line with the first half. This indicates an increase of almost 14 per cent. in earnings compared with second-half of 1976-77, and a 20 per cent. increase for the full year to September, from \$17.44m. to \$22.24m.

The continuing strong performance by AGC points to further solid growth by the Bank of NSW, which owns 53.3 per cent. of the financier's capital. The bank, which is expected to report within the next two or three weeks, normally receives about 35 to 40 per cent. of its profits from AGC. The interim dividend is held at 3.75 cents a share, and is payable on capital increased last year by one-for-ten and two-for-five cash issues.

The directors said that demand for the group's services had been generally at a more subdued level. A reduction in the inflation rate had also influenced the overall growth in dollar terms. The Board considered that the growth in receivables and profit was "most satisfactory."

Unlike many other major financiers, AGC had a relatively small involvement in property during the boom years, and escaped the effects of the collapse in the property market. Bad debts written off rose from \$4.6m. to \$4.7m., which represented a steady percentage of net receivables, while the provision for doubtful debts was increased by \$2m. to \$21.3m.

The ratio of net receivables giving regular monthly repayments of principal and interest (hire purchase, personal loans, mortgages of owner occupied dwellings and commercial leasing) was 69 per cent. at the end of March, an increase of 2 per cent. since September last year.

The finance group contributed significantly to the profit improvement, mainly as a result of increased income flowing from a higher receivables base.

The insurance group again made a solid contribution, lifting earnings from \$4.1m. to \$4.7m. General economic conditions and severe competition within the industry caused a

small decrease in gross premium income, which totalled \$34.6m. compared with \$34.9m. a year earlier. The result was after forgoing interest of \$3.7m. on real estate loans where recovery of interest was considered doubtful. A total of \$2.8m. was foregone in the same period. Loans in this category have been written-down to \$34.5m., or only 1.9 per cent. of group net receivables. This is well below the percentage of problem real estate loans for many other financiers.

## Fall at Bank of Adelaide

By Our Own Correspondent

SYDNEY, May 4. THE BANK OF Adelaide suffered a slight downturn in group profit for the March half-year despite a 10 per cent. increase in gross income. Profit fell from \$4.33m. to \$4.34m. (\$US3.9m.). This appears to be largely due to the wholly-owned finance company, Finance Corporation of Australia, which reported a 5 per cent. decline to \$2.1m. for the first-half. Gross income for the period rose from \$20.2m. to \$22.2m. The decline in interim dividend is maintained at 7 cents a share.

## Seacorp lifts profit and dividend

BY WONG SULONG

KUALA LUMPUR, May 4.

SOUTHEAST ASIA Development Corporation (Seacorp), the Malaysian finance and investment company, has reported a pre-tax profit of 4.6m. ringgits (\$US 1.9m.) for the year ended January 1978—40 per cent. higher than for the previous year.

A final dividend of 25 per cent. is declared, raising the year's total from 35 to 40 per cent. Since 1974, the company's dividends had risen steadily from 15 per cent.

On current market prices, the shares yield 7.3, making it the second highest yield finance stock on the Kuala Lumpur and Singapore exchange.

The parent company's performance during the second half was particularly encouraging, with pre-tax profits amounting to 1.87m. ringgits, compared with 277,000 ringgits in the first half.

## First long term loan raised in Malaysia

By Our Own Correspondent

KUALA LUMPUR, May 4. A CONSORTIUM of 18 Malaysian banks and financial institutions have issued, for the first time in the Malaysian capital market, a long term loan amounting to 50m. Ringgits (\$US20.9m.).

The loan, for 15 years, is for the National Electricity Board and is managed by Amnab-Chase Merchant Bank. Previously, funds raised in the Malaysian capital market are of short or medium term duration of up to 10 years.

The interest rate for the NEB loan is believed to vary from 7 and 8.125 per cent., with 7.95 per cent. as the average. The Malaysian prime rate is 7.5 per cent., and the very favourable rate which the NEB received is a reflection of the high liquidity facing Malaysian banks.

The Malaysian Treasury to-day announced its first loan stock of 600m. ringgits for 1978. It offers four securities with a three, five, 10 and 15-year maturity, bearing yearly interest rates of 8.125, 8.375, 7, and 7.825 per cent. respectively.

Last year, the Government raised 30m. ringgits in the local market through three loans, all of which were over-subscribed, despite lower interest.

The group's turnover increased by 10 per cent. to 2.3m. ringgits (\$US962,000) while its three major subsidiaries—a discount house and two unit trusts—also turned in credible results.

About 42 per cent. of Seacorp's equity is held by Malaysian international Merchant Bankers Inter-had.

NBT will sell its 1.15m. Ordinary shares at 3.10 ringgits each, and 1.05m. loan stocks at 1.12 ringgits each. A capital gain of 914,000 ringgits is expected on the sale worth some 5.4m. of 8.55 per cent. in Harber ringgits (\$US2.3m.).

The NORTH BORNEO Timber Companies is selling off its stake on the sale worth some 5.4m. of 8.55 per cent. in Harber ringgits (\$US2.3m.).

## Desoutter

## All-time Record Results

The Chairman included the following comments in his statement published with the 1977 accounts:

"I am pleased to report new record levels of turnover and profits for the full year 1977 following the excellent results of 1976. I would like to express my appreciation to all employees and distributors at home and overseas for their contributions to that achievement."

"The level of orders received thus far in 1978 is above the average for 1977. Inflated costs, although at a lower rate than previously, together with a limited scope for product price increases, will prohibit a similar enlargement of turnover and profit in 1978 to that achieved in 1977."

	1977	1976
Turnover up 26.3% to .....	£6,996	£6,000
Pre-tax profits up 39.5% to .....	3,548	2,557
Net profit after tax attributable to Ordinary Shareholders .....	1,781	1,228
Earnings per Ordinary Share .....	19.38p	13.38p
Dividend per Ordinary Share inclusive of tax credit .....	8.34p	7.62p

Desoutter Brothers (Holdings) Limited, —London, N.W.9.

The International Pneumatic Power Tool Specialists

## THYSSEN

OVERALL ECONOMIC GROWTH SLOWED  
DIVERGING TRENDS IN BUSINESS DEVELOPMENT  
DESPITE DIFFICULT SITUATION GROUP  
RESULTS SATISFACTORY

The following is a summary of the Annual Report 1976-77 submitted by the Management of Thyssen Aktiengesellschaft to the annual meeting of Shareholders.

In our 1976-77 fiscal year overall economic growth slowed down again in most Western industrialised countries. The economic situation in the world steel industry continued to be disappointing. Inadequately utilised production capacities led to further intensification of international competition.

The individual sectors of the Thyssen Group comprising steel, specialty steel, capital goods and other manufactured products as well as trading and services developed differently. Despite the difficult situation in some markets the results of the Group as a whole will make it possible to pay a DM5.50 cash dividend per DM80 share.

The overall economic outlook for our major markets at home and abroad indicates only slight improvement in sales in the new fiscal year. The Thyssen Group is availing itself of all the possibilities it has in the wide range of its products and services to offset business risks. One of the major aspects of this approach continues to be the adoption of measures aimed at the improvement of our international competitiveness.

## Economic Situation and Markets

Since the beginning of 1977 diverging trends have become evident in the development of business in the industrialised countries of the West. In the USA economic growth declined only slightly. The same holds true for Japan, although the previous rate of expansion was not regained. In contrast, in the Federal Republic of Germany overall economic growth temporarily came to a standstill in 1977. The economic situation in the other countries of Europe has also remained unsatisfactory.

As the steel crisis lingers on there is growing willingness on the part of governments in a number of countries to protect their steel industries through subsidies and market interventions. In the USA an extensive aid programme is particularly aiming at a substantial reduction in steel imports.

As there is little chance at present for the world economic growth to accelerate quickly no immediate lessening of supply pressure can be expected in the international markets. In several traditional production areas steel companies are therefore faced with the necessity of introducing structural adjustments.

Thyssen Sales Although the market situation was partly unfavourable, the companies of the Thyssen Group managed to book orders worth more than DM19 billion in 1976-77, a third of which was accounted for by foreign markets. These branches of the Group whose business depends on the automotive and other consumer goods industries were able to increase their order bookings partially.

The external sales achieved by the domestic members of the Group amounted to DM18.7 billion. Export sales rose to DM6.6 billion in 1976-77 as against DM6.0 billion the previous year, thus raising the share accounted for by exports from 29% to 35%.

In 1976-77 the steel sector of the Thyssen Group registered a total of DM7.2 billion in sales.

Sales developments in the markets for specialty steel were more favourable in 1976-77 than those of plain carbon steel.

In the capital goods and other manufactured products sector, with its widely differing market developments at home and abroad, we succeeded in booking well over 20% as against the previous year. Total sales in this sector in 1976-77 diminished by 5% to DM5.0 billion.



THYSSEN AKTIENGESSELLSCHAFT  
vorm. August Thyssen-Hütte

Includes companies concentrating on specific product lines as well as regionally oriented wholesale and retail firms, was moderate. Sales in trading and services totalled DM8.9 billion in 1976-77.

## Thyssen Production

The output of all the Thyssen works and factories went down by an average of 4% in 1976-77. In the year under review 117 million tons of crude steel were produced. The share of specialty steel in this figure rose from 14.3% in the preceding year to 15.8% in 1976-77.

## Thyssen Investments

The investments in tangible and financial assets made by the Thyssen Group in 1976-77 totalled DM984 million.

In 1976-77 a total of DM441 million was invested in tangible assets in the steel sector of the Thyssen Group Thyssen Edelstahlwerke invested DM103 million.

Thyssen Industrie AG adopted a great number of measures to rationalise production and maintain the company's high engineering level. Production capacity was increased in promising sectors. The investments in tangible assets at Thyssen Westfälische Union were mainly made for the expansion of heavy cable manufacturing.

## Results

On the whole, the Thyssen Group achieved still sufficient results in the 1976-77 fiscal year, with the individual sectors making differing contributions. The steel sector closed with a slight loss which is mainly due to the unfavourable developments at Thyssen Niederrhein. There has been considerable improvement in the specialty steel sector as compared with last year when it almost broke even. Profits made in the capital goods and other manufactured products sector compare with that of last year, with Thyssen Industrie obtaining better results. A major contribution to the results again also came from the trading and services sector as well as from the remaining sector including other companies in which Thyssen AG has a holding.

CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 1977 (SUMMARY)	
	30.9.1977 Million DM
ASSETS	
Fixed assets	
Gross tangible assets .....	16,432.8
Depreciations .....	11,772.6
Net tangible assets .....	4,660.2
Financial assets .....	1,135.4
	5,795.6
Current assets .....	7,415.4
Total assets .....	13,211.0
LIABILITIES	
Share capital and reserves .....	3,527.5
Individual reserves .....	3,846.0
Financial indebtedness .....	2,948.3
Other liabilities (incl. dividend) .....	3,089.2
Total liabilities .....	13,211.0

Copies of the Annual Report and Accounts in English may be obtained from the Company and from N. M. Rothschild & Son Ltd., New Court, St. Saviour's Lane, EC4P 4DU and from S. G. Warburg & Co. Ltd., 30 Gresham Street, EC2P 3ER and National Westminster Bank Limited, Stock Office Services, Drapers Gardens, 12 Throgmorton Avenue, EC2P 2ES.

## Domtar Inc.

has acquired the California gypsum and related wallboard manufacturing facilities of

## Kaiser Cement &amp; Gypsum Corporation

We initiated this transaction on behalf of Domtar Inc.

Warburg Paribas Becker  
Incorporated



# INTL FINANCIAL AND COMPANY NEWS

## Heavy Fiat investment programme

By Paul Setts

ROME, May 4.

ESPIE the Fiat group's commitment to invest some £3,000m. (\$3,460m) over the next three years, Sig. Giovanni Agnelli, chairman of the Turin-based company called today for "realistic attempts" by the Italian authorities to solve the structural weakness of the country's economy.

At the annual shareholders meeting, Agnelli also advocated a community industrial policy focused on technologically advanced sectors and he stressed the need to curb excess production capacity and rationalise operations on a European level.

last year Fiat reported a profit of £630m. against £680m. in 1976 and effected investments totalling £1,000m. In large measure, however, Fiat's reported profits are due to the group's healthy financial position rather than to the performance of its various operational sectors. The dividend is £150 per share plus a bonus share of one Preference share for every 100 shares held (whether Preference or Ordinary).

Italian banks expand deposit bases

THE CONTINUING trend of bank profits and expansion of deposits in Italy was confirmed today in the balance sheets of three important commercial banking institutions, writes Paul Setts from Rome.

By Siena-based Monte dei Paschi reported net profits of £7.7bn. and an increase of nearly 18 per cent. in deposits which totalled some £6,784bn. at the end of 1977.

Another Tuscan bank, Banca Toscana, reported a 35.6 per cent. increase in profits of £3.7bn. Deposits totalled £2,556bn. or a 26 per cent. rise on the year before.

The trend, however, was not as marked in the case of the Banco di Sicilia, which reported profits of £2.2bn. last year compared to £2.2bn. in 1976.

DEIAG'S BOARD CHANGES

## Politicians take up the running

By Paul Lendvai in Vienna

THE RECENT management changes at the top of Austria's largest industrial entity OEAG, a holding company for the state-owned steel sector in the country, marks a significant change in both management and personality.

OEAG's new director general is a 41-year-old politician, Ernst Mr. Oskar Gruenwald, who has taken over from 67-year-old Mr. Franz Geist who for the past seven years has run OEAG in a style synonymous with both ruthlessness and political manoeuvring.

For many years a director of the West German steel company Vöest-Alpine, Mr. Geist was recalled to his native Austria in 1970 by Chancellor Bruno Kreisky. He immediately took the reins at OEAG, a company that at the last count had a labour force of 115,000 and counted for something like a third of Austria's aggregate industrial output.

## Hoechst sees problems continuing

By Rhys David

FRANKFURT, May 4.

HOECHST, the West German chemical group, is expecting another difficult year in 1978 with sales and profits unlikely to improve much on the disappointing results for 1977.

Weak demand and the strength of the Deutschmark against the dollar have hit the company in home and export markets and some of the problems already affecting the fibres sector have spread into plastics.

This gloomy view was given in Frankfurt by Hoechst management board chairman Dr. Rolf Sammet. Total sales for the group worldwide in 1977 reached DM23,289bn., down slightly from DM23,485bn. Profits before tax, however, were down more steeply to DM1,066bn. (\$534m.) from DM1,376bn.

Sales in the first quarter of 1978 amounted to DM5,890bn. against DM5,940bn. a year ago and were only marginally ahead of the quarterly average for the whole of last year. Parent company net profits slid by 25 per cent. in the first three months to DM157m. (\$75.7m.).

The main problem area for Hoechst — the first of the big three German chemical companies to publish its results in detail — remains fibres, which last year accounted for around 8 per cent. of total sales. On the German side, pre-tax losses on fibres last year increased from DM62m. to DM157m. and in

worldwide from DM189m. to DM241m., though these figures include non-recurring costs of a number of closures. Fibre losses have been cut back in the U.S.

Dr. Sammet said the coming agreement between fibre producers in Europe to restrict capacity and output could bring some relief, but a return to normal would still be slow. Hoechst itself has already closed down several units and reduced its employment in this sector by 25 per cent.

The other main worry is the rise of the D-mark, which makes it much easier for chemical imports to penetrate the German market and hampers exports.

Hoechst's main strength in 1977 was again pharmaceuticals, representing some 16 per cent. of turnover.

Although group sales edged up in the first quarter, total sales by the Hoechst AG parent, at DM22,273bn., were down 6.2 per cent. and export sales were 7.8 per cent. lower. A profit upswing is forecast for the second half leading to better utilisation of capacity — currently about 75 per cent. in Hoechst AG — and a reduction in costs.

Exports strains at Brown Boveri

By Adrian Dicks

MANNHEIM, May 4.

BROWN BOVERI the West German affiliate of the Swiss group, expects a further rise in sales in 1978, but the chairman, Herr Hans Goehring, warned that West German engineering companies are "now truly facing difficulties" in their major export markets.

After the end of 1977, the BB management expects to see some run-down in foreign sales from the 45 per cent. of last year's DM3,300m. total for which they accounted. Competition from "soft currency" countries, particularly Italy, had now reached a point where the company could not fight back, especially on major industrial plant contracts with a lead-time of several years.

In one recent deal which he did not name, Herr Goehring said, Italian competitors had undercut the company's best offer by over 25 per cent.

At the end of March BB, whose main lines of business include heavy electrical equipment, power transmission and switchgear apparatus and nuclear plant, had an order book worth DM6.7bn. This was about DM200m. more than a year previously, but Herr Goehring underlined the difficulties of close comparison since a few large orders could easily distort the picture.

For the current year, BB hopes to clinch several such orders, including large conventional power station contracts in Brazil that have been under discussion for several years, as well as firm orders for domestic nuclear plants that have been delayed by West Germany's long political hesitations over atomic energy.

Herr Goehring said that although the industry could — and must — understand these delays, it must begin to see firm orders come in by the end of the year, or face the prospect of laying off workers. The position has not been made any easier by a slower outlook for other lines of heavy machinery in recent months, typified by a smaller number of orders from OPEC countries in 1977.

## Alfa-Laval outlook dull

By William Dullforce

STOCKHOLM, May 4.

ALFA-LAVAL expects lower earnings this year. Investment trends are still weak in most branches, in which the Swedish firm and dairy equipment and industrial separator group is active, states the 1977 annual report.

Alfa-Laval made a similar forecast at the beginning of 1977 but succeeded in turning in an almost unchanged pre-tax profit of Kr.308m. (\$86.3m.) after adjusting for the book-keeping changes introduced in the 1977 account. It shows a net profit after tax of Kr.82m. against Kr.84m. and the Board proposes to pay an unchanged dividend of Kr.5 a share, making a total payment of Kr.41.6m.

The most significant of the book-keeping changes is the switch to depreciation according to plan from cost-calculated depreciation. If the latter had continued to be applied, Alfa-

Laval would have shown earnings of Kr.273m. for 1977, against Kr.277m. in the previous year.

Over the past two years earnings have failed to keep pace with the growth in sales, which climbed 12 per cent. last year to Kr.4.2m. (\$903m.). The profits stagnation is explained by falling margins. In order to maintain its competitive edge and market shares Alfa-Laval has had to refrain from taking out the price increases needed to compensate for the Swedish cost increases. The 19 per cent. increase in the order intake last year, which left a year-end order book of Kr.2.3bn., up 9 per cent. suggests, however, that Alfa-Laval has succeeded in holding its market shares.

The company's competitive position has been improved by the devaluation of the krona, but "not enough to give completely satisfactory profitability."

## Brazil boosts foreign debt

By Diana Smith and Francis Gibbs

LOANS RECENTLY signed or due for signing within the next couple of weeks will bring Brazil's foreign debt to about \$34bn.

Of the \$1bn. worth of foreign currency loans for State-run enterprises currently in the signing stage, over \$550m. is coming from the World Bank and nearly \$100m. from the Inter-American Development Bank.

A \$70m. ten year commercial bank loan for the City of Sao Paulo, under guarantee of the Brazilian Republic, has now been signed. Managed by European-Brazilian Bank, the terms of this loan were negotiated several months ago. With a margin over inter-bank rates of 2 per cent., it is viewed as the last of the high spread loans for Brazil.

Proceeds of this loan, as of a \$80m. loan for the same borrower, which offered 2 1/2 per cent. and was signed earlier this year, are to go to the Sao Paulo Metro.

The other loans currently under negotiation for Brazilian borrowers, each of \$50m. for ten years, are for the State of Parana and the Rio airport. The former is being arranged by Morgan Guaranty and the latter being provided by Canadian banks.

## Lucas Bols ahead

Net profits of Lucas Bols rose 47 per cent. to £24.8m. (\$11.1m.) in 1977 on sales 25 per cent. higher at £82.4m. The Dutch distiller and drinks group is raising its dividend from £13.302 to £13.90. The results for last year incorporate those of the Swiss-Italian group Cynar which Bols acquired last year.

## Volvo presents optimistic report

By John Walker

STOCKHOLM, May 4.

DURING 1978 Volvo should reach a higher level of profitability than last year, according to the annual shareholders' report.

The low level of the business cycle coupled with high Swedish costs has led to a heavy pressure on the company and problems with the Dutch company Volvo Car BV has "strained" Volvo's resources. A positive agreement with the Dutch state has been entered into which is virtually a partnership. The agreement is for four years from 1977 and will provide for stability in the company.

Within the group there is a good profit capacity in trucks and Volvo Flymotor. The results of Volvo Car BV and Volvo Penta are not satisfactory. But the work carried out in 1977 has laid the basis for good profitability and a rise in production.

## Balance Sheet at 31st December 1977

Expressed in U.A.E. Dirhams (US \$1 = Dirham 4 approximately)

	1977	1976
<b>ASSETS</b>		
Cash, balances with banks and money at call and short notice	8,651,266,142	4,415,736,387
Deposits with banks	1,867,634,482	1,682,885,587
Investments	938,937,123	39,718,502
Advances, loans and other accounts (less: provision for bad and doubtful debts)	2,795,163,420	1,103,657,735
Debtors and prepayments	164,711,850	100,617,472
Fixed assets	32,588,961	20,466,655
Preliminary expenses	5,488,249	4,090,970
	<b>Dh 14,065,704,326</b>	<b>Dh 7,367,163,308</b>
<b>LIABILITIES</b>		
Share Capital		
Authorised, issued and fully paid 1,000,000 ordinary shares of Dh 100 each	100,000,000	100,000,000
Reserves		
Capital reserve	7,000,000	7,000,000
Contingency reserve	15,000,000	—
General reserve	70,000,000	20,000,000
Retained profit	223,746	509,128
Shareholders' Interest	192,323,746	127,509,128
Subordinated long term loan from the majority shareholder Government loans	779,898,000	—
Current deposit and other accounts	163,758,000	4,500,000
Proposed dividend	12,669,678,660	7,093,961,938
Creditors and provisions	25,000,000	25,000,000
	<b>196,151,928</b>	<b>116,192,242</b>
	<b>Dh 14,065,704,326</b>	<b>Dh 7,367,163,308</b>

Auditors, Whitmore Morris & Co.

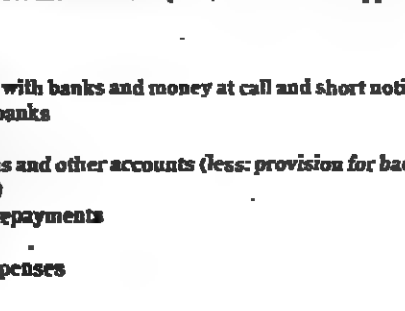
If you would like to receive a copy of the National Bank of Abu Dhabi's 1977 Annual Report and Accounts, please contact our Head Office, Sheikh Khalifa Street, Abu Dhabi or our City Branch, 90 Bishopsgate, London EC2N 4AS.

Extensive branch network in the United Arab Emirates. Overseas branches: Alexandria, Bahrain, Cairo, Khartoum, Mascot, Port Said. To be established: Amman, London (West End), Paris, Sanaa, Tunis.

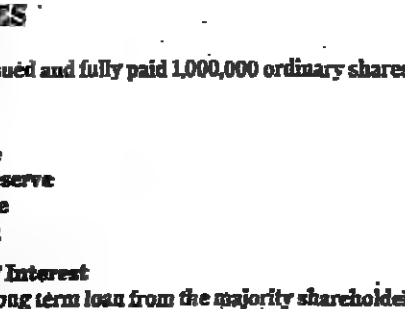
"How the National Bank of Abu Dhabi has faced up to the challenge of operating within a rapidly growing economy, and expanded its activities both domestically and internationally"

## Five Year Record

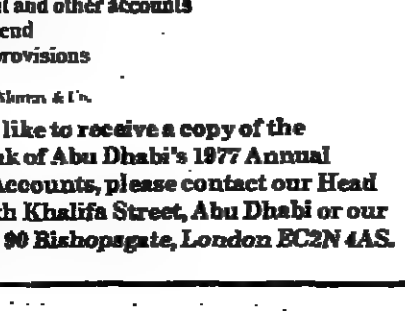
DEPOSITS (Dh. Millions, Dh. 1000 million)



## LOANS AND ADVANCES (Dh. millions)



## PROFIT (Dh. million)



Established in 1968, the National Bank of Abu Dhabi has developed as the leading bank in the United Arab Emirates. Services extend from managing and participating in Eurocurrency loans and Eurobond issues, Foreign exchange, Trade finance and Personal domestic banking.

Offices: U.A.E. Head Office: Sheikh Khalifa Street, Abu Dhabi. Post Address: P.O. Box No. 4, Abu Dhabi. United Arab Emirates. Cable Address: Almasraf, Abu Dhabi. Telex: AH2266 and 2267. London (City Branch): 90 Bishopsgate, London EC2N 4AS. Telephone: 01-626 8961. Telex: 8812085 Masraf. Cables: Masrafity.

Extensive branch network in the United Arab Emirates. Overseas branches: Alexandria, Bahrain, Cairo, Khartoum, Mascot, Port Said. To be established: Amman, London (West End), Paris, Sanaa, Tunis.

Bank of Abu Dhabi

NATIONAL BANK OF ABU DHABI

"The businessman's bank"

## FORWARD TRUST LIMITED — BANKERS

### DEPOSIT RATES

Depositors are advised that with effect from 5 May 1978, the following rates of interest will apply:

NOTICE OF WITHDRAWAL	(DEPOSITS OF £1-£25,000)
7 days	4 1/2 %
1 month	7 1/2 %
3 months	7 3/4 %
6 months	8 1/4 %
12 months	8 3/4 %

\* Applies to existing deposits only. New deposits at seven days' notice are not accepted.



For further information apply to: Forward Trust Limited, Deposits Department, PO Box 383, 12 Calthorpe Road, Birmingham, B15 1QZ. Telephone: 021-454 6141. Forward Trust is a subsidiary of Midland Bank Limited.

THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY

## FIELDCREST IRELAND TOWEL PROJECT FINANCING

U.S. \$41,000,000

## TERM CREDIT AND EQUIPMENT LEASING FACILITIES

for

## FIELDCREST IRELAND LTD.

Managed by:

BANK OF IRELAND

Funds Provided by:

BANK OF IRELAND  
CHEMICAL BANK  
CITIBANK N.A.

MANUFACTURERS HANOVER TRUST COMPANY  
NORTH CAROLINA NATIONAL BANK  
CHASE AND BANK OF IRELAND (INTERNATIONAL) LTD.

APRIL 1978



**WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGE**

**Well above worst after heavy trade** | **Pound steady**

BY OUR WALL STREET CORRESPONDENT

WITH FURTHER unfavourable economic news coming to light today, Wall Street suffered another sharp reaction in heavy early trading, but later managed to recoup most of the initial fall.

The Dow Jones Industrial Average, after yesterday's 11-point decline, fell afresh to 817.34 before recovering to 824.41 by the close on the day that the NYSE All Common Index finished a net 12 cents lower at \$35.60, after touching \$33.11, while losses usually outnumbered gains by a narrow margin of 791 to 687 after an early five-to-one lead. Turnover amounted to 37.2m, yesterday's matching 37.89m.

Analysts said the market, which was already in a consolidation phase this week after the sharp rallying movement since mid-April, was further depressed by a Government report, released before the opening this morning, that the Wholesale Price Index for April rose 1.3 per cent., which exceeded Wall Street estimates.

Some analysts, however, noted that the market rebound from the day's low and said that it appears to be irrepressible now, having also had to contend to-day with more major Banks raising their Prime Rates a quarter-point to the new level of 84 per cent.

K Mart put on 2 to 32½ in heavy trading, after reporting a 7.5 per cent. rise in April sales—the company also clarified an announcement that first-quarter earnings would be 10¢, saying that it now appears they will be 20 to 25 per cent. below the 1977 level.

Scars eased 1/2 to \$241. J. C. Penney 1/2 to \$291, and F. W. Woolworth 1/2 to \$201, but Carter Hawley Hale added 1/2 at \$181—all reported higher April sales apart from Woolworth.

Marshall Field rose 1/2 to \$241, but R. H. Macy slipped 1/2 to \$401—analysts said there were rumours circulating that Macy wanted to acquire Field, but Macy had denied making any purchases of Field stock.

National Semiconductor II to \$231.  
Bates advanced 1½ to \$47½—the company said that it has had no firm merger offer other than the previously announced bid by Koch Industries.  
THE AMERICAN SE Market Value Index, after retreating to 137.54, turned sharply forward to 138.79 for a fresh rise of 0.73 on balance after another substantial volume of 5.12m. shares (5.13m.).  
Waltm. Off rose 1½ to \$17½—expects earnings to triple this year. Sustained Off climbed 4½ to \$14½ and Houston Off and Minerals

**OTHER MARKETS**

**TOKYO**—Many shares rose initially, with investors welcoming the outcome of the Japan-U.S. summit talks in Washington. But a reaction set in later on the profit-taking to leave a rather mixed picture at the close. Turn-

Resources stocks, Public Works issues, Textiles and speculative counters also held to a firmer

**Stock markets in the following countries were closed yesterday for the Ascension Day holiday.**

Industrial leader BHP receded cents to \$A6.58, but ICI Australia recouped 5 cents at \$A2.15 and container added 4 cents at \$A2.34. Among Stores, Woolworths put on 2 cents to \$A1.64, but Myer slipped 3 cents to \$A1.72. Sugars

ad CSR 3 cents firmer at \$12.95  
and Bundaberg 5 cents up at  
\$13.30.

In Financials, AGC hardened 2  
cents to \$1.65 on the profits  
improvement, while its major  
shareholder, Bank of NSW, re-  
mained 8 cents to \$5.40. ANZ

Once again trading in yesterday's foreign exchange market remained very quiet with a little more activity being seen after the holidays opened in New York. Cable holidays in most financial centers resulted in a quiet day. Sterling opened at \$1.8250-8290 and most business took place after the Bank of England's announcement that it will not seek to prevent the restoration of more normal relationships between the U.K. and the international interest rates. However, the 12-month rate against the U.S. dollar remained very narrow at \$1.8255-8305 and attention was more inclined towards dealings in forward contracts. The market closed at \$1.8290-1.8290, not

rose 10.6%. Favourable reaction to the IMF gold auction prompted some covering of short positions and the metal closed \$21 higher at \$1734.1741.

**STERLING**

Source: Bank of England  
Dec. 1979 = 100

[illegible]

	Stocks traded	Closing price	Change on day
Am. Tel. and Elec.	610,000	28 1/2	+
Am. E. and Tel.	177,100	62	+
B. of C.	155,000	16 1/2	+
Gen. Motors	217,700	63 1/2	+
Pan Am World Air.	25,200	8 1/2	+
Am. Realty	125,000	4 1/2	+
Sears Roebuck	125,000	14 1/2	+
K-Mart	125,000	5 1/2	+
East. Air Lines	125,000	10 1/2	+
Dow Chemical	211,700	24 1/2	+

Associated Dry Goods lost 1 1/2 to 2 to a quarter loss.

IBM receded 2 1/2 to \$260.

American Telephone 1/2 to \$62.

Union Pacific \$1 to \$48. Merck 1/2 to \$36, and Allied Chemical 1/2 to \$42 1/2.

Active General Motors put on 1/2 to \$65 1/2, while Natamox gained 1/2 to \$40 1/2, Teletype 4 to \$91 1/2, and Mesa Petroleum 2 1/2 to \$38; and

er was a moderate 270m. d  
shares, while the Nikkei-Dow  
Jones Average was just 0.96  
higher on balance at 5,542.09 and  
the Tokyo SE index recorded a  
marginal net gain of 0.57 at 412.62.  
Motors, Cameras and some  
Electricals finished lower after  
profit-taking, with Sony, s  
¥1,860. Toyota Motor, ¥990, and  
Matsushita Electric, ¥760, each  
about ¥10 down on the day, and  
Canon ¥3 cheaper at ¥495. m

remained with several stocks being over-bid, and the tone at the close remained strong. The Madrid SE Index moved ahead 2.38 more to 105.18, while the Shanghai SE Index jumped 3.19 to 11.08.

Electricals were particularly strong, heartened by the Cabinet's approval of a national energy plan.

**AUSTRALIA**—Industrials again moved irregularly, while Mining

canada—Stocks showed a lower tendency at yesterday's close following fairly active trading. The Toronto Composite Index added 1.2 at 1,087.4, while Colds fell on rising Bullion prices.

Fr. 1.9633. Using Moroccan warranty figures, the dollar's average depreciation, on noon rates in New York, amounted to 3.36 per cent. from 1962 per cent. On Bank of England figures, the dollar's index fell to 89.8 against 90.1 on Wednesday. Elsewhere the Canadian dollar improved to 88.704 U.S. cents from 88.641 U.S. cents. Trade in gold was considered to be relatively high in view of

sting.....	0.869632	0.674487	Cypr
stollar.....	1.22355	1.23590	Costa
storian.....	1.7923	1.95302	Mal
stria sch.....	n.a.	18.1874	Mal
stria trane.....	n.a.	39.9414	Mal
stria trane.....	n.a.	7.00729	Par
stria trane.....	n.a.	2.56375	Sto
stria trane.....	n.a.	2.73668	Sto
stria trane.....	n.a.	n.a.	Ver
stria trane.....	n.a.	n.a.	Zim
stria trane.....	1060.64	1070.06	
stria trane.....	276.171	278.677	
stria trane.....	n.a.	6.56802	
stria trane.....	98.9566	99.9035	
stria trane.....	n.a.	5.70347	
stria trane.....	n.a.	1.084	

[illegible]

## Indices

**NEW YORK**—DOW JONES

	1972						Since completion			
	May		May		Apr.		High		Low	
	1971	1972	1971	1972	1971	1972	1971	1972	1971	1972
Industrial	824.41	879.85	840.18	844.53	867.92	879.69	844.53	742.12	1051.70	819.92
Non-Industrial	89.08	89.08	89.08	86.39	88.81	85.01	93.84	86.35	111.73	87.50
Total	323.60	324.28	324.76	229.51	224.64	223.34	208.81	192.81	279.85	18.28
Industrial	105.81	106.12	106.33	106.43	105.36	105.89	110.29	94.11	125.89	107.22
Non-Industrial	105.81	106.12	106.33	106.43	105.36	105.89	110.29	94.11	125.89	107.22
Total	323.60	324.28	324.76	229.51	224.64	223.34	208.81	192.81	279.85	18.28
Trading	37.50	37.50	37.50	37.50	37.50	37.50	37.50	37.50	37.50	37.50
Net	37.50	37.50	37.50	37.50	37.50	37.50	37.50	37.50	37.50	37.50

\*Based on Index as changed from August '72

	April 25	April 21	April 18	Year ago (April 18)
Ind. Ind. Index %	5.58	5.75	5.86	4.60

**STANDARD AND POORS**[illegible]

## OVERSEAS SHARE INFORMATION

**NEW YORK**[illegible]

Inv. \$ Prem. \$2.60 to \$5—110% (110%)  
Effective rate (1982) 47.6% (47.6%)

May 4	May 3	May 2
----------	----------	----------

3176	Herzog, Louis	45	46	Waco Orth.	3014	146	204	Con
3177	Herzfeld, Louis	45	46	WFO Radio	3015	146	204	Con
3178	Hess, Louis J.	45	46	Xerox	3016	146	489	Dec
3179	Hickman, Louis	45	46	Yacht	3017	146	489	Dec
3180	Hickman, Louis	45	46	Yacht	3018	146	489	Dec
3181	Hickman, Louis	45	46	Yacht	3019	146	489	Dec
3182	Hickman, Louis	45	46	Yacht	3020	146	489	Dec
3183	Hickman, Louis	45	46	Yacht	3021	146	489	Dec
3184	Hickman, Louis	45	46	Yacht	3022	146	489	Dec
3185	Hickman, Louis	45	46	Yacht	3023	146	489	Dec
3186	Hickman, Louis	45	46	Yacht	3024	146	489	Dec
3187	Hickman, Louis	45	46	Yacht	3025	146	489	Dec
3188	Hickman, Louis	45	46	Yacht	3026	146	489	Dec
3189	Hickman, Louis	45	46	Yacht	3027	146	489	Dec
3190	Hickman, Louis	45	46	Yacht	3028	146	489	Dec
3191	Hickman, Louis	45	46	Yacht	3029	146	489	Dec
3192	Hickman, Louis	45	46	Yacht	3030	146	489	Dec
3193	Hickman, Louis	45	46	Yacht	3031	146	489	Dec
3194	Hickman, Louis	45	46	Yacht	3032	146	489	Dec
3195	Hickman, Louis	45	46	Yacht	3033	146	489	Dec
3196	Hickman, Louis	45	46	Yacht	3034	146	489	Dec
3197	Hickman, Louis	45	46	Yacht	3035	146	489	Dec
3198	Hickman, Louis	45	46	Yacht	3036	146	489	Dec
3199	Hickman, Louis	45	46	Yacht	3037	146	489	Dec
3200	Hickman, Louis	45	46	Yacht	3038	146	489	Dec
3201	Hickman, Louis	45	46	Yacht	3039	146	489	Dec
3202	Hickman, Louis	45	46	Yacht	3040	146	489	Dec
3203	Hickman, Louis	45	46	Yacht	3041	146	489	Dec
3204	Hickman, Louis	45	46	Yacht	3042	146	489	Dec
3205	Hickman, Louis	45	46	Yacht	3043	146	489	Dec
3206	Hickman, Louis	45	46	Yacht	3044	146	489	Dec
3207	Hickman, Louis	45	46	Yacht	3045	146	489	Dec
3208	Hickman, Louis	45	46	Yacht	3046	146	489	Dec
3209	Hickman, Louis	45	46	Yacht	3047	146	489	Dec
3210	Hickman, Louis	45	46	Yacht	3048	146	489	Dec
3211	Hickman, Louis	45	46	Yacht	3049	146	489	Dec
3212	Hickman, Louis	45	46	Yacht	3050	146	489	Dec
3213	Hickman, Louis	45	46	Yacht	3051	146	489	Dec
3214	Hickman, Louis	45	46	Yacht	3052	146	489	Dec
3215	Hickman, Louis	45	46	Yacht	3053	146	489	Dec
3216	Hickman, Louis	45	46	Yacht	3054	146	489	Dec
3217	Hickman, Louis	45	46	Yacht	3055	146	489	Dec
3218	Hickman, Louis	45	46	Yacht	3056	146	489	Dec
3219	Hickman, Louis	45	46	Yacht	3057	146	489	Dec
3220	Hickman, Louis	45	46	Yacht	3058	146	489	Dec
3221	Hickman, Louis	45	46	Yacht	3059	146	489	Dec
3222	Hickman, Louis	45	46	Yacht	3060	146	489	Dec
3223	Hickman, Louis	45	46	Yacht	3061	146	489	Dec
3224	Hickman, Louis	45	46	Yacht	3062	146	489	Dec
3225	Hickman, Louis	45	46	Yacht	3063	146	489	Dec
3226	Hickman, Louis	45	46	Yacht	3064	146	489	Dec
3227	Hickman, Louis	45	46	Yacht	3065	146	489	Dec
3228	Hickman, Louis	45	46	Yacht	3066	146	489	Dec
3229	Hickman, Louis	45	46	Yacht	3067	146	489	Dec
3230	Hickman, Louis	45	46	Yacht	3068	146	489	Dec
3231	Hickman, Louis	45	46	Yacht	3069	146	489	Dec
3232	Hickman, Louis	45	46	Yacht	3070	146	489	Dec
3233	Hickman, Louis	45	46	Yacht	3071	146	489	Dec
3234	Hickman, Louis	45	46	Yacht	3072	146	489	Dec
3235	Hickman, Louis	45	46	Yacht	3073	146	489	Dec
3236	Hickman, Louis	45	46	Yacht	3074	146	489	Dec
3237	Hickman, Louis	45	46	Yacht	3075	146	489	Dec
3238	Hickman, Louis	45	46	Yacht	3076	146	489	Dec
3239	Hickman, Louis	45	46	Yacht	3077	146	489	Dec
3240	Hickman, Louis	45	46	Yacht	3078	146	489	Dec
3241	Hickman, Louis	45	46	Yacht	3079	146	489	Dec
3242	Hickman, Louis	45	46	Yacht	3080	146	489	Dec
3243	Hickman, Louis	45	46	Yacht	3081	146	489	Dec
3244	Hickman, Louis	45	46	Yacht	3082	146	489	Dec
3245	Hickman, Louis	45	46	Yacht	3083	146	489	Dec
3246	Hickman, Louis	45	46	Yacht	3084	146	489	Dec
3247	Hickman, Louis	45	46	Yacht	3085	146	489	Dec
3248	Hickman, Louis	45	46	Yacht	3086	146	489	Dec
3249	Hickman, Louis	45	46	Yacht	3087	146	489	Dec
3250	Hickman, Louis	45	46	Yacht	3088	146	489	Dec
3251	Hickman, Louis	45	46	Yacht	3089	146	489	Dec
3252	Hickman, Louis	45	46	Yacht	3090	146	489	Dec
3253	Hickman, Louis	45	46	Yacht	3091	146	489	Dec
3254	Hickman, Louis	45	46	Yacht	3092	146	489	Dec
3255	Hickman, Louis	45	46	Yacht	3093	146	489	Dec
3256	Hickman, Louis	45	46	Yacht	3094	146	489	Dec
3257	Hickman, Louis	45	46	Yacht	3095	146	489	Dec
3258	Hickman, Louis	45	46	Yacht	3096	146	489	Dec
3259	Hickman, Louis	45	46	Yacht	3097	146	489	Dec
3260	Hickman, Louis	45	46	Yacht	3098	146	489	Dec
3261	Hickman, Louis	45	46	Yacht	3099	146	489	Dec
3262	Hickman, Louis	45	46	Yacht	3100	146	489	Dec
3263	Hickman, Louis	45	46	Yacht	3101	146	489	Dec
3264	Hickman, Louis	45	46	Yacht	3102	146	489	Dec
3265	Hickman, Louis	45	46	Yacht	3103	146	489	Dec
3266	Hickman, Louis	45	46	Yacht	3104	146	489	Dec
3267	Hickman, Louis	45	46	Yacht	3105	146	489	Dec
3268	Hickman, Louis	45	46	Yacht	3106	146	489	Dec
3269	Hickman, Louis	45	46	Yacht	3107	146	489	Dec
3270	Hickman, Louis	45	46	Yacht	3108	146	489	Dec
3271	Hickman, Louis	45	46	Yacht	3109	146	489	Dec
3272	Hickman, Louis	45	46	Yacht	3110	146	489	Dec
3273	Hickman, Louis	45	46	Yacht	3111	146	489	Dec
3274	Hickman, Louis	45	46	Yacht	3112	146	489	Dec
3275	Hickman, Louis	45	46	Yacht	3113	146	489	Dec
3276	Hickman, Louis	45	46	Yacht	3114	146	489	Dec
3277	Hickman, Louis	45	46	Yacht	3115	146	489	Dec
3278	Hickman, Louis	45	46	Yacht	3116	146	489	Dec
3279	Hickman, Louis	45	46	Yacht	3117	146	489	Dec
3280	Hickman, Louis	45	46	Yacht	3118	146	489	Dec
3281	Hickman, Louis	45	46	Yacht	3119	146	489	Dec
3282	Hickman, Louis	45	46	Yacht	3120	146	489	Dec
3283	Hickman, Louis	45	46	Yacht	3121	146	489	Dec
3284	Hickman, Louis	45	46	Yacht	3122	146	489	Dec
3285	Hickman, Louis	45	46	Yacht	3123	146	489	Dec
3286	Hickman, Louis	45	46	Yacht	3124	146	489	Dec
3287	Hickman, Louis	45	46	Yacht	3125	146	489	Dec
3288	Hickman, Louis	45	46	Yacht	3126	146	489	Dec
3289	Hickman, Louis	45	46	Yacht	3127	146	489	Dec
3290	Hickman, Louis	45	46	Yacht	3128	146	489	Dec
3291	Hickman, Louis	45	46	Yacht	3129	146	489	Dec
3292	Hickman, Louis	45	46	Yacht	3130	146	489	Dec
3293	Hickman, Louis	45	46	Yacht	3131	146	489	Dec
3294	Hickman, Louis	45	46	Yacht	3132	146	489	Dec
3295	Hickman, Louis	45	46	Yacht	3133	146	489	Dec
3296	Hickman, Louis	45	46	Yacht	3134	146	489	Dec
3297	Hickman, Louis	45	46	Yacht	3135	146	489	Dec
3298	Hickman, Louis	45	46	Yacht	3136	146	489	Dec
3299	Hickman, Louis	45	46	Yacht	3137	146	489	Dec
3300	Hickman, Louis	45	46	Yacht	3138	146	489	Dec
3301	Hickman, Louis	45	46	Yacht	3139	146	489	Dec
3302	Hickman, Louis	45	46	Yacht	3140	146	489	Dec
3303	Hickman, Louis	45	46	Yacht	3141	146	489	Dec
3304	Hickman, Louis	45	46	Yacht	3142	146	489	Dec
3305	Hickman, Louis	45	46	Yacht	3143	146	489	Dec
3306	Hickman, Louis	45	46	Yacht	3144	146	489	Dec
3307	Hickman, Louis	45	46	Yacht	3145	146	489	Dec
3308	Hickman, Louis	45	46	Yacht	3146	146	489	Dec
3309	Hickman, Louis	45	46	Yacht	3147	146	489	Dec
3310	Hickman, Louis	45	46	Yacht	3148	146	489	Dec
3311	Hickman, Louis	45	46	Yacht	3149	146	489	Dec
3312	Hickman, Louis	45	46	Yacht	3150	146	489	Dec
3313	Hickman, Louis	45	46	Yacht	3151	146	489	Dec
3314	Hickman, Louis	45	46	Yacht	3152	146	489	Dec
3315	Hickman, Louis	45	46	Yacht	3153	146	489	Dec
3316	Hickman, Louis	45	46	Yacht	3154	146	489	Dec
3317	Hickman, Louis	45	46	Yacht	3155	146	489	Dec
3318	Hickman, Louis	45	46	Yacht	3156	146	489	Dec
3319	Hickman, Louis	45	46	Yacht	3157	146	489	Dec
3320	Hickman, Louis	45	46	Yacht	3158	146	489	Dec
3321	Hickman, Louis	45	46	Yacht	3159	146	489	Dec
3322	Hickman, Louis	45	46	Yacht	3160	146	489	Dec
3323	Hickman, Louis	45	46	Yacht	3161	146	489	Dec
3324	Hickman, Louis	45	46	Yacht	3162	146	489	Dec
3325	Hickman, Louis	45	46	Yacht	3163	146	489	Dec
3326	Hickman, Louis	45	46	Yacht	3164	146	489	Dec
3327	Hickman, Louis	45	46	Yacht	3165	146	489	Dec
3328	Hickman, Louis	45	46	Yacht	3166	146	489	Dec
3329	Hickman, Louis	45	46	Yacht	3167	146	489	Dec
3330	Hickman, Louis	45	46	Yacht	3168	146	489	Dec
3331	Hickman, Louis	45	46	Yacht	3169	146	489	Dec
3332	Hickman, Louis	45	46	Yacht	3170	146	489	Dec
3333	Hickman, Louis	45	46	Yacht	3171	146	489	Dec
3334	Hickman, Louis	45	46	Yacht	3172	146	489	Dec
3335	Hickman, Louis	45	46	Yacht	3173	146	489	Dec
3336	Hickman, Louis	45	46	Yacht	3174	146	489	Dec
3337	Hickman, Louis	45	46	Yacht	3175	146	489	Dec
3338	Hickman, Louis	45	46	Yacht	3176	146	489	Dec
3339	Hickman, Louis	45	46	Yacht	3177	146	489	Dec
3340	Hickman, Louis	45	46	Yacht	3178	146	489	Dec
3341	Hickman, Louis	45	46	Yacht	3179	146	489	Dec
3342	Hickman, Louis	45	46	Yacht	3180	146	489	Dec
3343	Hickman, Louis							

135	+0.7	13.75	6.9
157.8	+1.3	16	—
278	+1	18	3.8

...merch...	326	+
-------------	-----	---

[illegible]

Sum.....	370	20	2.8	Athe	
Nippon Print	556	+ 1	18	1.6	Amip
Plaza.....	583	- 2	15	1.8	Amu

... ..	559	48
... ..	558	1
... ..	1,170	...

[illegible]

of Mul. & trig. lime in 100	+2.65		
of Exp. in 100	+1.42	-0.01	
of Petro. in 100	+0.84		

U. Pulp Paper & L.,.....

[illegible]

108.5	-0.5	11	9.2
240		10	8.3
108.00	-1.25	11	10.2
142.00	2.75	11	5.2

Correlation ..... 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917,

[illegible]

هكذا فنت الأهل



# FINANCIAL TIMES SURVEY

Friday May 5 1978

## Ninian Central Oil Platform

Taller than the GPO tower and broader at its base than Trafalgar Square, the central platform for the Ninian oilfield adds another chapter to the North Sea saga. Built of concrete, it also presents a competitive challenge to the normal steel structure.

### Another North Sea giant

By Ray Dafter  
Energy Correspondent

THE TOW-OUT from Scotland's Sound of Raasay of the giant central production platform for the Ninian oilfield this week has added yet another dimension to the North Sea development programme.

This concrete platform weighs 605,000 tonnes with its ballast, making it the heaviest man-made structure ever to have moved on earth, according to its builders, Howard Doris of Loch Kishorn. Trafalgar Square would not be big enough to accommodate its base.

The structure, together with all its deck equipment and the installation charges, is costing the Chevron-led consortium £280m. It is an integral part of a field development project costing no less than £1.8bn; when the three production platforms, pipeline and Ninian's share of the Sullom Voe oil terminal in Shetland are taken into consideration.

A measure of the project's

size is that it is the biggest single investment that has ever been overseen by Chevron's parent, Standard Oil of California. Not that Chevron has always been the operator for the Ninian development.

Chevron took over as lead company in 1975 when the previous operator, Burmah Oil, found itself in deep financial difficulties. Burmah had discovered the big field in 1974 and subsequent drilling proved the structure to be one of the biggest in the U.K. North Sea with some 1.16bn barrels of recoverable reserves, according to latest Government statistics. It was not surprising then that one of the toughest moves Burmah had to take in its financial restructuring was to sell its original 21.6 per cent stake to British National Oil Corporation (BNOC) for £90m.

Participants in the field, which straddles the northerly 3/8 and 3/3 blocks, provide an interesting cross-section of the types of companies now involved in North Sea exploration and development. They range from big independent oil groups and a State oil company to a chemical group interested in acquiring feedstock and a small investment company which has had its future reshaped by the Ninian success.

The consortium now comprises British Petroleum (15 per cent), BNOC (21 per cent), Imperial Chemical Industries (18.2 per cent), London and Scottish Marine Oil (9 per cent), Murphy (7 per cent), Ocean Drilling and Exploration (7 per cent), Ranger (6 per cent), and Chevron (18.8 per cent).

These companies hope that they will begin to see some return on their investment later

this year for production is scheduled to start this autumn. On current reckoning the first oil should flow from the southerly steel platform this autumn with the central platform being brought on stream later in the year. But as past experience of the Ninian project has proved it will be difficult to stick to that timetable.

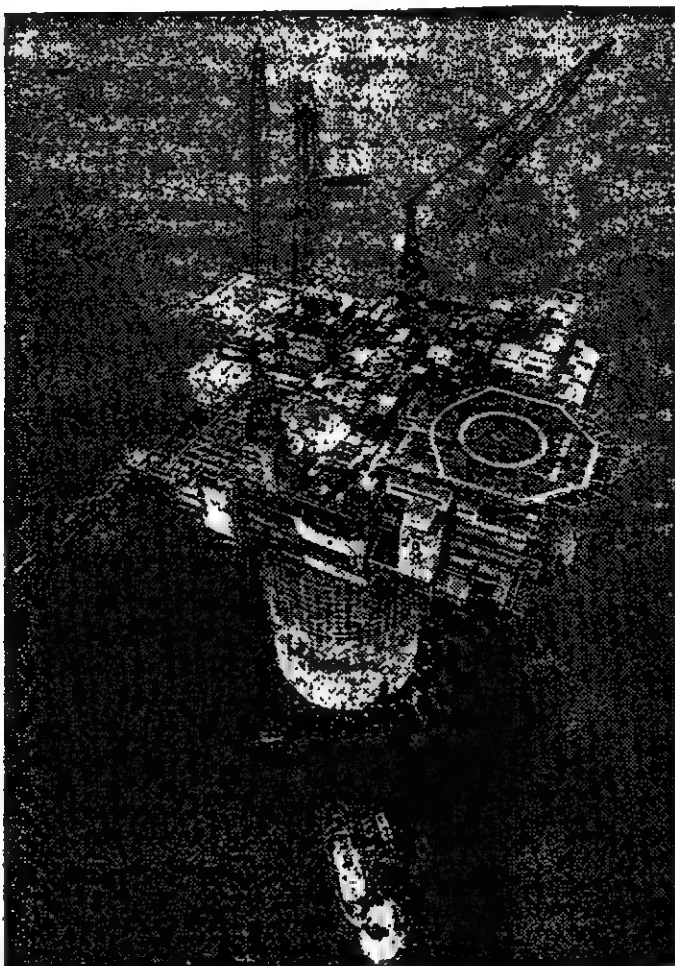
Indeed, Chevron had hoped that the southern platform would have been on stream in May. Foul weather throughout the winter months has delayed the installation and pre-commissioning work, even with the round-the-clock working of some 1,100 men stationed offshore. During one particularly bad spell they could accomplish only ten days work in a four-week period.

This is where a gravity structure, such as the central platform, has an advantage. Virtually all the deck equipment—20 of the 23 modules—has been installed and connected in the sheltered waters of the Raasay Sound between the Isle of Skye and the Scottish mainland. A steel unit could not be towed to a field with 34,000 tonnes of equipment on top!

### Confidence

Mr. Albert Granville, managing director of Howard Doris, displaying his characteristic air of confidence, believes it will be "touch and go" whether production from the southern platform will begin before output from the central structure.

Chevron had hoped originally that the central platform would be on stream first. After all, it will be the hub of the production system; the collection point for crude from all of the produc-



The tow-out begins.

ing wells on Ninian. (Chevron has made contingency arrangements for pumping the oil into the pipeline to Sullom Voe without the central unit.)

As with so many North Sea projects, delays and cost escalation problems have occurred. They have arisen because all weather,

The central platform should have been towed to the field in June last year according to the original schedule, but following some re-design work the target was amended to August last year. Various problems put pressure on Howard Doris. Early in the programme it was decided that the 1m. barrels of oil storage space was not needed after all, in view of the pipeline proposals, so the storage compartments were modified and filled with gravel and other solid ballast. Construction of the Loch Kishorn site itself proved to be more time-consuming than originally planned. Storm damage in October 1976 and, more recently, a crack in the steel deck structure, have added to Howard Doris's headaches.

Even so, by taking advantage of a sheltered winter berth, the construction team has managed to make up for much of the lost time, something that might have been more difficult with a more conventional steel platform.

All this has influenced the structure's purchase price, of course. The original Howard Doris bid for the basic structure (without the topside equipment) was £260m. It is estimated that the final cost will be three times that figure.

Some 60 per cent. of the extra cost has arisen from inflation indices written into the contract; around £25m. has been added as a result of changes in the deck design; £10m. more has been spent on the steel skirts that will pin the structure to the seabed; about £5m. to £6m. has been added to the cost by the need for wintering in Raasay with the remainder being spent on speeding up construction, to catch up on time lost through the 1976

storm and delays on the construction site.

Other operators are now learning from the experience of Howard Doris and Chevron. No one would question that the central platform is an impressive giant, a notable technical achievement for all concerned. It was conceived in 1974, before any field in the U.K. sector had begun to produce oil. But in view of the present state of the art, would it be built again? The answer is probably no, at least not in its present configuration. But that is not to say there is no immediate prospect for new gravity platforms, as some recent reports on the offshore industry have suggested.

### Interested

A number of big oil groups are still interested in the major load-carrying capability of concrete platforms, particularly for fields in deep waters. (Ninian lies beneath some 450 feet of water, for example.) Companies will be looking for structures able to carry heavy pieces of equipment; units that might well be replaced or adapted during the life of the field. Operators might want to install gas handling or enhanced recovery systems while the field is in production, for instance.

There is no reason why future concrete structures should be of the size—and cost—of the Ninian central platform. Howard Doris, for instance, has designed a gravity tower comprising a load carrying deck supported by a prestressed articulated concrete column. This column, suitable for water depths of 300 to 1,000 feet, would sit on a ball joint con-

ected to a fixed concrete base. It is thought that at least one offshore operator is interested in introducing such a system on a North Sea field which has still to be developed.

In the hope of winning such a contract Howard Doris is keeping on some 300 of its 550 employees at Kishorn. The group is also hoping to establish part of the Kishorn base as a service terminal for the North Sea although on the face of it the site would appear to be on the wrong side of Scotland for such a facility.

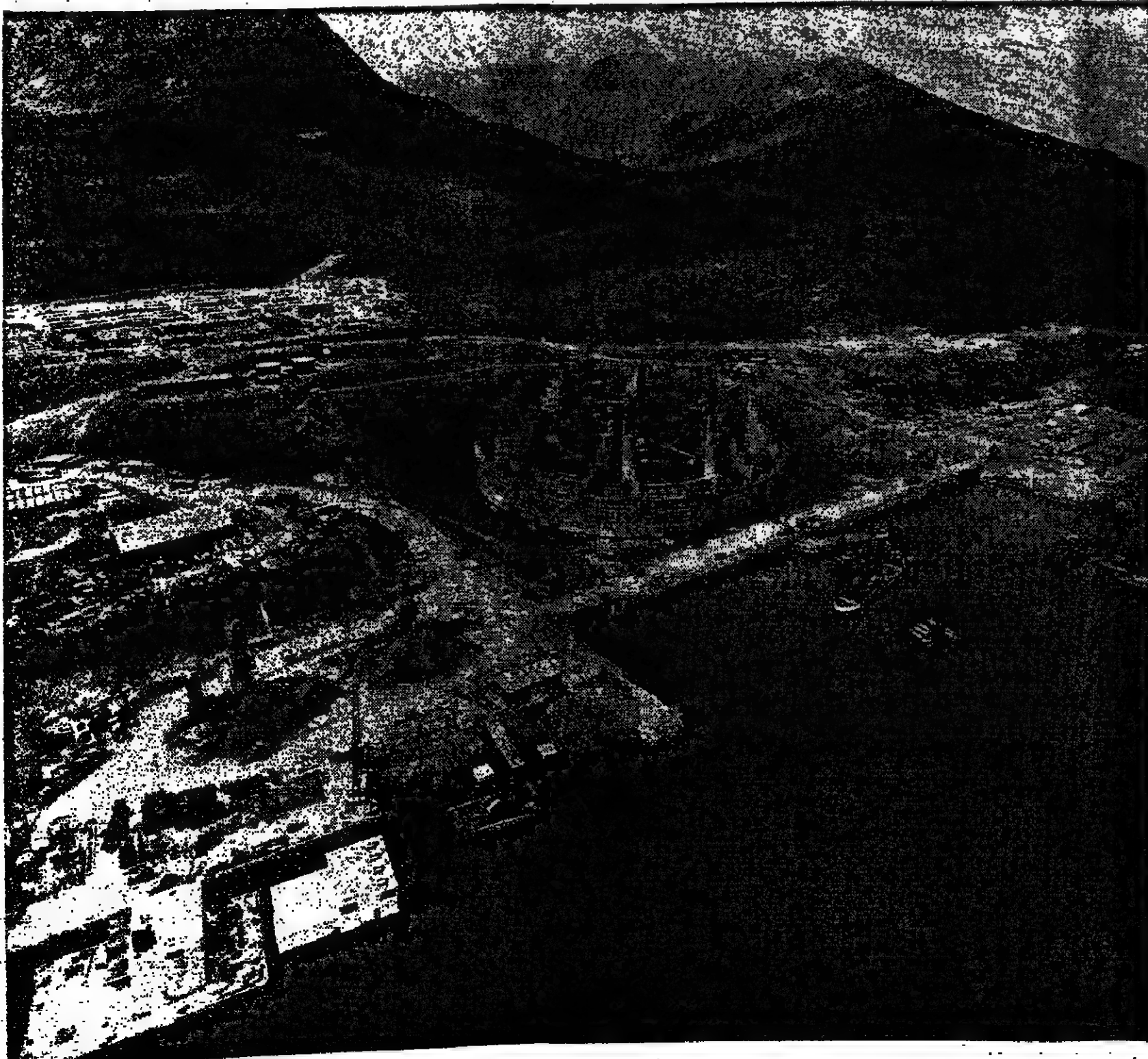
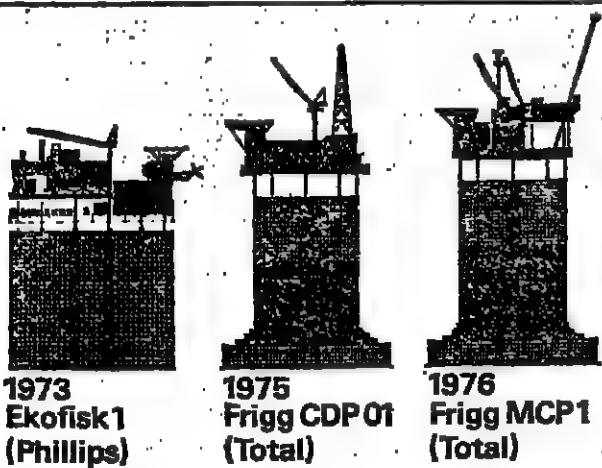
Even so, delivery of the Ninian platform could signal the loss of over 1,000 jobs—direct employees and staff of subcontractors. As with the other three concrete fabrication sites, Loch Kishorn is now without a firm contract.

As a result of the depressing state of the gravity platform market, the concrete fabricators are asking the Government to insist that oil companies give them a full and fair opportunity to compete for any future production platform orders. They are concerned that they are being prematurely dismissed without having a chance to submit competitive tenders against those offering steel structures.

It is a tough market, not helped by the surplus of fabrication facilities—a legacy of wildly optimistic forecasts by both the Government and the oil industry. Builders of concrete platforms hold a trump card—their ability to load production equipment on to decks in sheltered waters. They now wait to see if they are allowed to rejoin the game and play that card.

## Howard Doris already have three concrete gravity structures in the North Sea

### Their fourth and biggest - the 600,000 tonnes Central Platform - is on its way to the Ninian Field



The world's largest concrete gravity structure was designed and built for the Ninian partners:

Chevron Petroleum (UK) Ltd.  
British National Oil Corp. (Ninian) Ltd.  
Imperial Chemical Industries Ltd.  
BP Petroleum Development Ltd.

Murphy Petroleum Ltd.  
Ocean Exploration Co. Ltd.  
Ranger Oil (UK) Ltd.  
London & Scottish Marine Oil Co. Ltd.

Howard Doris' experience with these high-technology concrete marine structures is now also being applied to new design concepts for more marginal fields. Moreover, the £30 Million Kishorn yard has broadened its capabilities by the full development of additional facilities for:

- INSHORE LOADING OF MODULES.
- HOOK-UP AND TESTING OF DRILLING PRODUCTION AND LIFE-SUPPORT SYSTEMS.
- COMPLETE INSTALLATION OF ELECTRICAL AND MECHANICAL INSTRUMENTATION.

**Services Available:** Berthing Quays and Cargo-Handling Facilities; Tug and Barge Support; Electrical and Mechanical Workshop; Bulk Fuel Storage; Customs Facilities; Bulk Mud and Chemical Handling; Accommodation and Catering; Offices and Telecommunications; Railhead Facilities; Air, Road, Rail and Sea Access.



13-14 Buckingham Gate, London SW1E 6LB.  
Telephone 01-828 4311  
Telex 883105 Howdor G

Kishorn-by-Strathcarron, Ross-shire, Scotland.  
Telephone 05203 361  
Telex 75315 Kisa



## Land and Marine Engineering

congratulate Chevron and Howard/Bovis on their achievement with the Ninian Central Platform.

For our part on the Ninian Project—at the other end of the line—we pulled the Ninian pipeline ashore to the Shetland Isles. We also laid it across the 4km. water crossing between Culness and Firthness in the Shetlands.

Prior to this we brought ashore the Forties pipeline, the two Frigg pipelines, the Coromant pipeline. More recently we brought the Flags (Brent) pipeline into Scotland, and the Marathon field line into Eire.

We have done similar things with underwater pipelines for oil, gas, water, sewage and effluent disposal in 24 countries worldwide.

20 years' experience covers over 500 projects either designed or constructed.



## Land and Marine Engineering

The Link between Land and Marine

Plot 10, West Bromwich, West Midlands, B62 4TQ, England.  
Tel: 051 615 8000. Telex: 615 8000. Broomfield, Broomfield, Telex: 62944Z.

a member of the Royal Society of Naval Engineers Group N.V.

## ANGLIAN

BUILDING PRODUCTS LIMITED

We're pleased  
to be associated with  
Howard Doris Limited  
in this project.

The complex construction of the 260 reinforced concrete slab and dome sections of the Ninian Oil Platform was successfully completed by Anglian at their works in Lenwade, Norwich in May last year. The construction of the giant Jutland/Breakwater units was overseen on site by a management team from Anglian.

Atlas Works, Lenwade, Norwich, Tel: 060 544 291



A member of the Ready Mixed Concrete Limited Group of Companies.

## OCEANIC CONTRACTORS INC.

WOULD LIKE TO CONGRATULATE

## THE NINIAN GROUP

ON THEIR TREMENDOUS ACHIEVEMENT IN  
FABRICATION AND FLOAT-OUT OF THE  
NINIAN CENTRAL PLATFORM

McDermott Scotland, a subsidiary of Oceanic Contractors Inc., fabricated the steel Deck Section with plan dimensions of 79 x 55 metres and a load-out weight of 7,100 tonnes.

The Deck Section design consisted of four main column trusses, with skid beams to accommodate 20,000 tonnes of modules. This was supported by eight leg truss units, 4 Legs x 100" and 4 Legs x 72" diameter pipe, arranged circularly engage and tie-down to the upper part of the Jacket Section.

Transportation skid beams were attached to the inner leg sections, enabling the Deck Section to be loaded-out and tied-down onto Oceanic's transportation barge Intermac 600. This mammoth barge (500 ft. length x 120 ft. width x 35 ft. depth) which has been used on several occasions in transporting large North Sea Jackets to location, was used to transport the Deck Section round the North of Scotland via North Orkney to Tosaig in the Inner Sound of Raasay, where the transfer from Intermac 600 occurred.

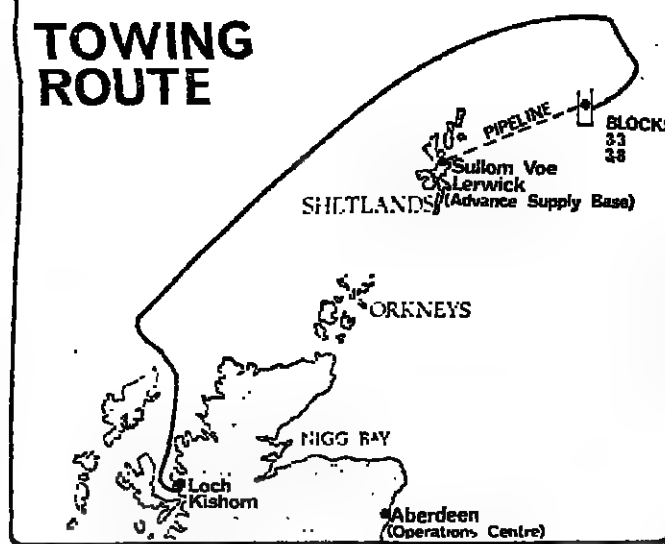


OCEANIC CONTRACTORS INC. ARE ONCE AGAIN  
PROUD TO BE ASSOCIATED WITH YET ANOTHER MILESTONE  
IN THE HISTORY OF THE OFFSHORE HYDROCARBON DRILLING INDUSTRY

## NINIAN CENTRAL OIL PLATFORM II

# Goodbye to jobs as well

### TOWING ROUTE



of the structure. Slip-forming the water until—at a total height of 156 metres—it became too big for the first wet location and had to be towed to the Inner Sound, out of the dock to the first wet site, in comparatively shallow water, where work began building the 180m. high trunk of the platform.

As the height of the structure increased, it was sunk lower in

tonnes and covers an acre in the area, was manufactured at the J. Ray McDermott yard at Ardersier on the Moray Firth and brought by barge around the Scottish coast to the Inner Sound. Supported on either side by barges, it was floated over the top of the platform which had been ballasted low in the water. When exactly in position, the ballast tanks were evacuated and Ninian Central bobbed-up to engage the deck. This precise manipulation of a structure weighing some 600,000 tonnes was repeated each time a module (of up to 1,800 tonnes) was loaded from the crane barge on to the deck.

Before the tow-out began, employment on the project had dropped to 1,300, with just less than half of this figure employed directly by Howard-Doris and the remainder for sub-contractors. Many of the sub-contracting firms are being employed on location in the Ninian Field on hook-up work or "grouting" the platform, that is filling any spaces between the base and the sea bed with concrete.

Mr. Albert Granville, managing director of Howard-Doris, estimates that some 300 of the men working directly for his company are "travellers" who expect to be laid-off after the completion of a project and move to other sites where there is work for them. Most of the rest—the local men—are being kept on the payroll working on the site and living in hope that a new contract will be won.

### Promise

"We have a special responsibility to these men because we promised them work. We intend to honour that promise, partly because we like to do what we say we are going to do and partly out of enlightened self-interest—I am still very optimistic that we will get another order."

More than just local employment depend on that optimism proving justified. Communications and services—possibly including the Kyle railway line, a vital link between the area and Inverness—could find it difficult to survive without the income generated by the building of the platform.

Ray Perman

## Southern platform on stream by autumn

THE FIRST oil should flow from the Ninian Field in the autumn when production begins from the Southern platform.

Originally the field was set to come on stream this month after the 21,000-tonnes steel platform was installed last summer in record time. But the start has been held up. Chevron, the field operator, puts the blame for the delay partly on the especially severe weather encountered in the North Sea during the winter. But it has also been concerned that it has had to complete work on the modules, which should have been done in the fabrication yards.

In a fight to meet the latest production deadline of the fourth quarter this year, Chevron has expanded its offshore workforce. Staff working on the Southern platform have built up to as many as 1,100 men, and two support vessels, the Boreland Dolphin and the Viking Piper have been engaged at the field, 100 miles north-east of the Shetland Islands, to accommodate the growing workforce.

The Chevron consortium finally opted to build three platforms to exploit the estimated 1.16bn. barrels of recoverable reserves of crude from Ninian, the third largest field discovered in the U.K. sector of the North Sea. Orders for both steel jackets, the Southern and Northern platforms, were placed with Highland Fabricators for construction at its yard at Nigg on the Cromarty Firth.

The Southern platform is now undergoing the time-consuming final hook-up work. It was floated out of the Nigg Bay yard a year ago, and was the first of the giant North Sea steel platforms to be installed and equipped in one season. The operation was completed in less than five months. After the May float-out, piling to secure the platform to the sea bed was completed by the beginning of July last year, and the last module, part of the drilling equipment, was installed before the end of October.

But the fortunes of North Sea operation are at best unpredictable and the time gained last summer has vanished during the hard winter months. Delays were compounded last month when construction work could deliver during 1977. It was almost complete half in an industrial dispute over bonus payments for craftsmen. Despite the dispute, one of the biggest so far on a North Sea platform, the time has been made up and Chevron is still hoping to start production from the Southern platform in the autumn.

Meanwhile the steel Northern platform is being constructed on schedule at Highland Fabricators' Nigg yard, and Chevron hopes to float it out to the field in June. The job of securing the 15,000 tonnes structure to the sea bed with steel piles will be carried out during the summer and the platform's nine modules should be installed

next year.

The Southern platform was the first element in the three platform development of Ninian to be ordered in November 1974. It was designed as a self-floating structure, because for heavier, taller steel towers this system has decided advantages over structures that are launched from barges.

The tower was designed by GJB-Earl and Wright and the careful tipping of the massive platform to the upright position—performed at the end of the 275-mile tow from Nigg Bay—was carried out according to procedures developed by Chevron in the 1950s for Santa Barbara Channel platforms off the Californian coast. By contrast the concrete Ninian Central platform will be towed out in an already upright position.

The cost of the Southern jacket alone was £60m, and the topside equipment from helicopter deck modules to work shops, accommodation and drilling and production modules added a further £50m, to the Nigg bill. The jacket, 553 feet in height, stands in a water depth of 448 feet and has been designed to withstand winds of up to 105 knots and 100-foot waves. Some 42 wells will be drilled from the Southern platform, which has a production capacity of 180,000 barrels a day, rather smaller than the Central platform, which at its peak should be capable of producing 278,000 barrels a day.

### Heaviest

The Southern platform was delivered close to schedule by Highland Fabricators, "a great achievement," according to Mr. Glen Schurman, Chevron (U.K.) managing director. During the summer of last year 18 modules, constructed at six different sites both in the U.K. and Holland, were lifted into place at the Ninian Field by crane barge, the heaviest single lift totalling 1,270 tonnes.

It was always a possibility that the Chevron group would order a third production facility to drain the northern end of the field and as far back as 1975 it was looking for a yard that could deliver during 1977. It considered alternatives, such as sub-sea completion, but it wasn't until last year that it finally went ahead with an order for another steel jacket from Highland Fabricators.

The decision not to go for sub-sea well completions—a total of 12 were considered—was taken for three main reasons. Chevron felt that sub-sea technology had not been sufficiently proved, that the down-time caused through failures, maintenance and repairs might undermine the field's profitability, and that there were unacceptable environmental risks. As a result of installing the third platform, the Chevron group should be able to cover virtually the whole

of the Ninian Field, which is roughly pear-shaped, some 13 miles long and stretching across the boundaries of block 3/3 (held by the Chevron consortium) and block 3/8 (held by BP).

The platform was justified on the basis that it could tap another 100m. barrels of oil from the field which is trapped in four different producing zones, each one of which has a unique recovery profile. Ninian's period of maximum production is expected to be 1982-83 and this has been prolonged and enhanced to a level of some 360,000 barrels a day by the addition of the third platform.

The Northern platform with a jacket weight of some 12,900 tonnes is the smallest structure ordered for the Ninian Field, and because of its comparatively lightness it will be floated out and launched from a barge. The jacket will cost £40m, with the extra equipment modules totalling a further £35m. It will have the capacity for drilling 25 wells, but at this stage of the programme only 12 are being planned. It is always possible, however, that a decision could be taken later to drill more wells in order to extend the plateau of maximum production.

It is hoped that this jacket will be floated out from Highland Fabricators yard in June so that it can be piled and secured in place before the worst of the winter weather begins. The deck and nine modules, including the flare boom, will be constructed over the next 12 months for fitting next year. Production could begin at the end of 1979 or early in 1980. One of the modules, the well-head, is also being built by Highland Fabricators along with the jacket and deck. The Dutch construction group, HCG, is building the workshop and accommodation modules, while Harland and Wolff at Belfast is constructing several others, including the drilling, production and water injection modules. Orders for the helicopter deck and flare boom are still to be placed.

The total cost of exploiting the northern extension of the Ninian Field is estimated at some £200m, one of the smallest items in the massive £1.6bn. total field development costs. But the Northern platform has been of vital importance to the builders, Highland Fabricators. When the order was first mooted by Chevron, it was seen in some quarters of the oil industry as a carrot to the Nigg workforce for speedy delivery of the Southern platform, which was then nearing completion. In the event the first jacket was marginally delayed by a three-week strike, but the production schedule was not seriously hindered and the second order went ahead.

It has kept the Nigg Bay yard busy at a time when the oil industry has been going through a lean period. Only four out of eight yards in the U.K. have recently had work

In hand, and one of these, Loch Kishorn, becomes vacant with the completion of the concrete Ninian Central platform. The three remaining steel fabrication yards, Nigg Bay (Highland Fabricators), Methil (Redpath De Groot Caledonian) and Ardersier (McDermott) can take some comfort, however, from the fact that any platforms ordered over the next 12 months for the U.K. sector of the North Sea are likely to be steel structures, "according to stockbrokers Wood Mackenzie, as many as 12 platforms could be ordered over the next year or so, including some smaller structures. Among the orders foreseen are platforms for Mesa Petroleum's Isthos Beatrice Field, Amoco's Indefatigable gas field, Shell/Esso's North Cormorant Tern and Fulmar Fields, BP's Magnus Field and Phillips' Maureen Field.

### Orders

In addition, orders can be expected for Amoco's North West Hutton and Phillips' Theima Fields and the development of the perplexing Brae Field by the Marathon group should go ahead after prolonged appraisal drilling.

For the moment the Nigg Bay workforce totals some 2,300 men, not so far below the peak of 3,000 reached when the yard was building two platforms for BP's Forties Field and well above the low point of 800 reached last summer. But the yard needs more work urgently.

Highland Fabricators, formed in 1971 by Brown and Root of the U.S. and Wimpey, decided late in 1976 that it would have to diversify its activities into other areas of offshore engineering if it was to offer any continuity of work at a time when there were few platform orders on the horizon. Securing the order for the well-head module for delivery in spring next year is one of the first signs of success in this area. It is also actively pursuing rig repair work, much of which is usually carried out in Holland and Norway. Its first customer this year was the Transworld 58 semi-submersible rig.

In addition Highland Fabricators is promoting its own design of integrated deck, which is designed to be fitted out like a process plant with all the necessary equipment before float-out. The complete structure would be transported to the jacket, already installed in the field, by barge and floated into position over the platform tower. The system is designed to avoid many of the offshore craneage and hook-up costs. But whatever the success of this deck system for three and a half years has rested heavily on the two Ninian jackets, now depends much on the crucially on attracting new platform orders, and they cannot come soon enough.

Kevin Done

## SLIPFORMING BY TILEMAN/UDDEMANN

Tileman & Co. Ltd., 131 Upper Richmond Road, Putney, London SW15 2TP  
Telephone: 01-789 2241... Telex: 267524.

هكذا منت الأمل



## NINIAN CENTRAL OIL PLATFORM III

# Transport shuttles by sea and air

A FEW years ago a helicopter over Shetland was quite an event. Nowadays Sumburgh airport is so busy and crowded that helicopters sometimes have to "stack" overhead.

In an industry where perhaps more than any other time really does mean money, fast helicopter transport has a crucial role to play.

However, because of factors like weather and capacity, offshore, supply transportation must be flexible and this means there is a growing need for specialised platform supply vessels. With everything from personnel, clothing, food, concrete and piping to transport from shore to platform the offshore operator must have a wide range of supply vessels, aircraft and helicopters if he is to operate efficiently.

North Sea drilling rigs and production platforms can be like "mini cities" with up to 1,100 people on board at one time and they must be kept supplied with tools, equipment, all but the Puma which is fuel and the requirements of

day-to-day living if costly delays are to be avoided.

The basic rule of thumb used by Chevron in the Ninian field is that helicopters move personnel while ships move freight. But because of North Sea weather the roles are often reversed. Ninian's transport needs are handled from Chevron offices in Aberdeen and a Chevron official said, "what we try to do is to keep the helicopters for moving people rather than freight, but we have moved everything by helicopter."

Chevron operates a mixed fleet of helicopters out of Sumburgh airport to the Ninian field 100 miles away. It consists of one Aerospatiale SA 330 Puma capable of carrying up to 20 people or 5,511 lb of cargo, one British Airways Sikorsky 61s and two Bristol S-68Ts, a smaller version of the 61.

Flying time out to Ninian averages 1 hour 15 minutes for all but the Puma which is slightly faster and can make the

trip in 1 hour. This gives a turn-around time of between 2 and 2½ hours for the helicopters, considerably faster than by sea. Almost all platform personnel are flown by helicopter to Ninian from Sumburgh, the exceptions being Norwegian maintenance and marine crews who are flown direct to Ninian from Norway.

At present there are between 13 and 40 flights per day out of Sumburgh to Ninian's southern platform, but this number will obviously increase as operations expand. The logistics of helicopter flights are worked out in Aberdeen by the transport department in conjunction with the offshore installation managers.

By midday every day the transport staff are told what personnel movements are planned for the following day. By 2 p.m. a priority list has been drawn up in Aberdeen to meet these requirements and this is telexed to the installation manager. He then has until 6 the following morning to make changes in priorities depending on his own assessment of personnel requirements which can alter very rapidly.

The helicopter fleet also per-

forms an emergency role. British Airways is appointed by the Government as the air sea rescue service and in the case of a "medi vac," or medical evacuation, it is their Sikorsky 61 which deals with the situation. In normal periods one hour is allowed for take off, but in the case of a medical emergency the helicopter can be in the air in 15 minutes.

### Accidents

All platforms will have offshore medics capable of dealing with all but the worst accidents. Where a doctor's advice is required this is obtained from Lerwick by telex and if necessary the doctor will join the helicopter at the Norsoot helipad to fly to the field.

The essence of helicopter operations is speed, reliability, flexibility and, most important, safety. Every helicopter is equipped with survival suits and lifejackets.

However, it is the weather that posed the biggest threat to helicopter operations. At Sumburgh the main problems are wind gusting up to 50 knots, mist and fog. If the blades become coated with ice the Glasgow or Teesside which

weight grounds a helicopter and in winds of 50 knots the engines cannot be engaged.

In these conditions personnel may have to be moved by ship, but the sea journey takes 12 hours so often the personnel wait in specially built chalet accommodation in Lerwick for the weather to lift.

Delays are also caused by sheer lack of space at Sumburgh and problems with the radar. Normally fixed-wing craft land once every four or five minutes, but if the radar is out of action "slow control" is put into operation. This means one landing every ten or 15 minutes and stacking problems develop.

The fixed wing aircraft used by Chevron are there for two main purposes, first to transport personnel between the mainland and Sumburgh and secondly to "weather watch" the area when helicopters are grounded. Almost all the platform crew begin their trip to the field aboard the fixed wing craft.

At present Chevron use two De Havilland Twin Otters operating out of Aberdeen and capable of carrying 18 men each and two Dan Air Hawker Siddeley 748s operating from semi-submersibles. At present Chevron has two

carry 40 people each. They are soon to be joined by a Viscount 700 operating out of Glasgow and Teesside and capable of carrying 60 people.

The Chevron sea transportation fleet is divided into four main categories, accommodation vessels, supply boats, specialised ships and emergency craft. All are on long- or short-term contracts from their owners.

### Numbers

The need for accommodation vessels, which can also be used as supply craft, arises from the numbers of people involved when drilling and production begins. On the southern platform there are at present 1,110 people, 112 of whom live on the rig itself and the remainder live on two semi-submersibles anchored alongside.

A similar number will be required to man initial operations on Ninian central and because the platforms' "optimum" population is between 120 and 140 people there will probably always be a need for some form of additional accommodation on board semi-submersibles.

At present Chevron has two

semi-submersibles anchored next to the southern platform, a similar Norwegian Bugee. These are the Norwegian Borgila Dolphin and Viking Piper which was used previously as the Ninian pipe-laying barge. A third barge is due to join the fleet soon.

These barges are anchored in position next to the platforms and because of weather conditions they are apt to shift their anchors, so Chevron has two anchor handling vessels on short-term contracts equipped with stern winches capable of replacing the anchors. These craft double up as extra supply vessels.

Chevron has five supply vessels on two-year contracts at present. These include specialised platform supply vessels owned by the big Dutch North Sea operator Smul Lloyd. They are highly manoeuvrable wide-beam craft featuring large deck space and bulk capacities. They are about 2,000 d.w.t. and are capable of high pumping rates of up to 100 tons per hour at 250 feet.

This rapid pumping facility makes them particularly suitable for pumping out fuel, water and the other liquids required on a production plat-

form. In addition Chevron use a similar Norwegian Bugee supply ship and two smaller British Ocean Incheape 1,080 ton supply vessels. The British ships have pumping capacities of about 80 tons per hour per 100 feet.

The supply ships are used for carrying almost everything to the field and the large deck space on the specialised supply vessels makes them particularly suitable for carrying heavy machinery and the high quantities of casing pipe required during drilling. Since storage capacity on board a platform is limited the ships make frequent journeys, averaging 1.5 single journey time from Aberdeen to Ninian is about 20 hours.

For emergency evacuation Chevron keeps three or four converted trawlers, capable of accommodating 200 people each, in the field at all times. As yet the company does not have any specialised pollution control craft although it says it is looking at the possibility of a permanent vessel for the area fitted with fire-fighting equipment.

Paul Taylor

## Output fed to Sullom Voe

OIL AND EVENTUALLY gas from the Ninian field will be stored and shipped from the Sullom Voe oil terminal now under construction in a bleak inlet to the north of the Shetland mainland. Like so many projects in the development of the North Sea, it is massive in scale, involves many features novel in engineering and technology and is vastly complicated by the fact that the site is among the most remote in Europe. The nearest commercial airport is two hours' drive away and, until the oil companies began work, roads in the area were little more than tracks used to farm vehicles rather than contractors' lorries.

The terminal is being built at Calback Ness, a promontory which juts out into the Voe, and is about 31 miles north of Lerwick, the main Shetland town. Work on the 800 acres site began in February 1975 and is now well advanced, although bad weather and other factors have caused frequent hold-ups. Crude oil from the Ninian and later the Brent, Heather, Hutton, Cormorant, Dunlin, Thistle and Murchison fields will enter the terminal through two pipelines which are already laid, and will be stored in 15 surface tanks and loaded out to tankers across three jetties.

When facilities are complete the terminal will also be equipped to handle gas, which will be processed and stored on the site. At present the design capacity is some 1.5m. barrels a day through the two pipelines, but when the 32 oil companies which are partners in the project meet again to discuss the matter, it is possible they will call for another phase of development to increase this figure. That will inevitably also mean a dramatic jump in the cost, which now stands at \$672m.

Schedules for work on the project, which is being co-ordinated by British Petroleum, have been notoriously difficult to stick to. The inhospitable Shetland climate proved to be just one of the operators' worries and they have also had to contend with industrial disputes and the demands of the Shetland Islands Council. Unique powers to control development on the site were gained by the Council when it successfully promoted the Zetland County Council Act in Parliament in 1974, and since then it has used them to ensure that disruption to the islands' way of life is kept to a minimum.

### Shared

The Council, for example, insisted that there should be one shared terminal, rather than proliferation of developments, that storage tanks should be sited to lessen their impact on the environment, that a rigid anti-pollution agreement should be signed and that Shetlanders should share in the prosperity of the terminal should bring to the oil companies. Under an arrangement finalised in March, the Council will receive a levy of 1p a tonne on oil passing through the terminal (the amount is indexed for inflation in both retail prices and world crude prices) in addition to a substantial other payments to cover disturbance caused by the construction work and the cost of providing the port facilities, which the Council itself will own and run.

It has been estimated that income from the levy alone would be £1.5m. a year by 1981 (last December, 1977 prices) and that over the full 25-year life

of the agreement the total sum accruing to the Council could top £25m. The assumptions made in these calculations are fairly conservative and the actual amounts may turn out to be substantially higher.

The negotiations over the siting of storage tanks particularly caused delay, and the project is now some two years behind its original programme. However, the impact of this slippage has been partly offset by delays offshore, which mean that first oil from Ninian will not be received until the end of the summer.

### Deadline

Throughout last winter, BP and its subcontractors worked against the clock and the weather to meet a much earlier deadline. They had expected crude oil to start flowing through the pipeline in late May or early June and were fighting to be ready to receive it with the first four storage tanks and to load it across the first jetty. It was no secret that the race was a hard one, but by the end of last year BP was confident that it would be able to synchronise the commissioning of its first phase at the terminal with the completion of work on the Ninian Southern platform.

The delay offshore has given the construction team an unaccustomed breathing space. Four of the 15 storage tanks envisaged in the present plan for Sullom Voe are now complete, work is well advanced on another two and several more have been started. The first jetty—which will eventually be devoted to liquid natural gas rather than crude oil—is complete and ready to load oil out to the tankers and there is a chance that a second will be ready by late summer.

The extra time available also means that the power station, which will provide all the terminal's needs, could also be in operation by the time first oil is received through the line. Had it come in May standby generators would have had to have been used to pump crude into the storage tanks and out to the jetty.

Initially Sullom Voe will be able to handle only "dead" crude, that is oil which has already had any associated gas removed from it at the platform. Process plant necessary to liquefy and treat gases will not be ready until July next year, and this gas presents the oil companies with a problem.

The Department of Energy looks on gas as an energy source only marginally less important than oil and is reluctant to allow it to be wasted. Chevron, the operators on the Ninian field, have permission to flare off gas at the platform for a period of six months, so that the delay in commissioning treatment facilities at Sullom Voe should not prevent oil from being extracted. But what will happen after this if the terminal is still not ready to handle gas is still a matter in question.

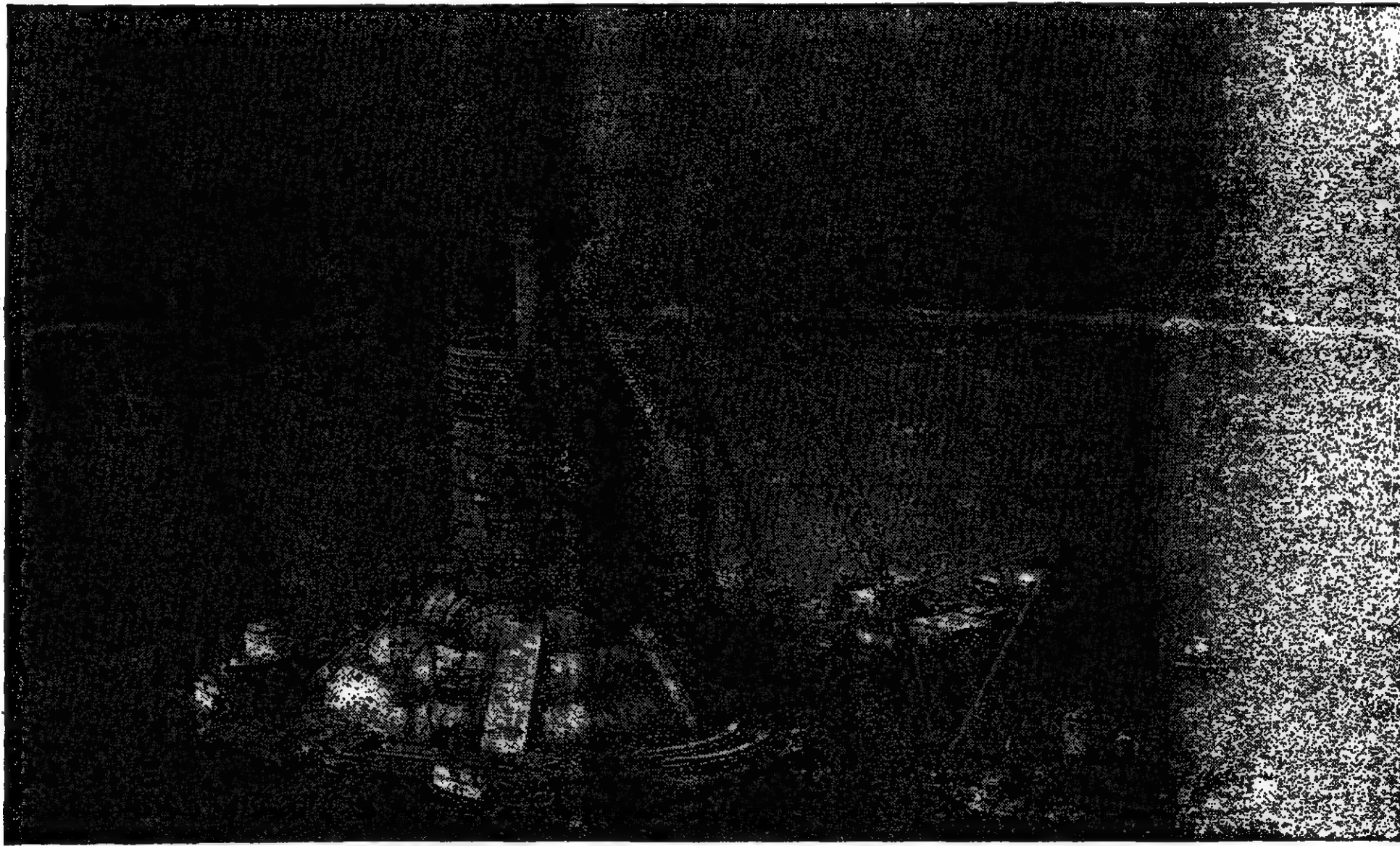
At one stage Chevron considered a proposal that some sort of floating treatment plant—perhaps a converted tanker—should be tied up alongside the terminal to cope with gas until onshore plant was complete. But that plan, which got no further than tentative thinking, met with disapproval from the Shetland Islands Council and, it is understood, from BP, and has now been dropped.

So the problem of gas remains. Reinjection into the oil reservoir is a possibility and is being considered, but so far no conclusion has been reached.

Ray Perman



# NEPTUN



Neptun's floating crane "Hebelift 3" rigged with the 160 metre jib working on the Ninian Central Platform in Loch Kishorn.

### The Hebelift 3 at Kishorn:

Total wt. of material lifted-

18,000 ts

Heaviest item lifted:

320 ts to a height of 138m.

Best working period:

28 lifts in period of 20 hours

NEPTUN offers a total marine service on a truly international scale. Heavy-lift transportation, ocean towage, the laying of mooring systems, heavy and high lifts... they're all part of the complete NEPTUN operation.

Next month, NEPTUN will take delivery of the first of two new VLT 23,000 h.p. tugs, unquestionably the largest in Europe. These will augment the already powerful NEPTUN fleet of tugs, barges and sea-going cranes. Both offshore and inshore, NEPTUN is becoming more and more identified with marine project management of the most comprehensive kind. NEPTUN is at your service and available for consultation now.



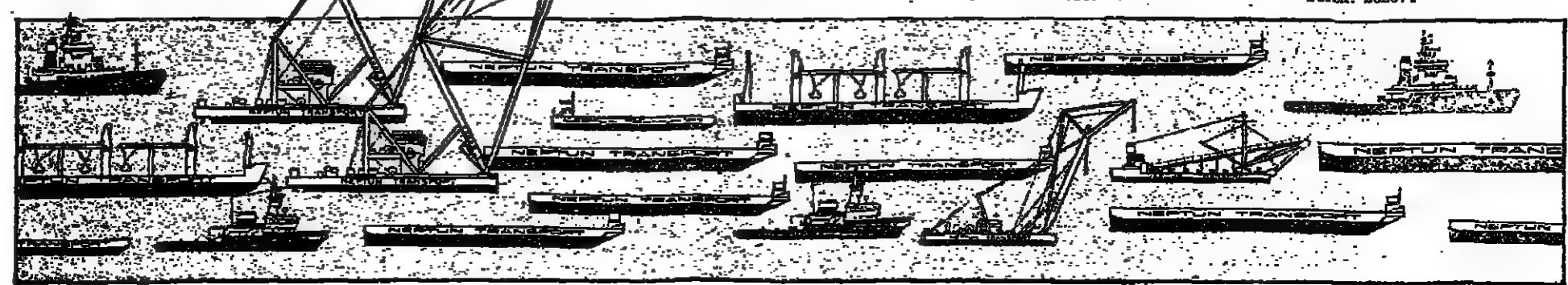
# NEPTUN

Head Office:  
Neptun Transport and Marine  
Service AB  
Fack  
S-10250 Stockholm  
Sweden  
Tel: 08-63 07 30  
Telex: 16508

Hamburg:  
Neptun Bergungsgesellschaft mbH  
D-2000 Hamburg 1  
Steindamm 47  
Tel: 040-241351  
Telex: 2163457

U.K.:  
Neptun Transport and Marine  
Services (U.K.) Ltd.  
1-3 Queen's Square  
Middlesbrough  
Cleveland TS2 1AN  
Tel: 0642 217341/2  
Telex: 587300  
Neptun Transport and Marine  
Services (U.K.) Ltd.  
49 Charles Street  
London W1X 8AE  
Tel: 01-493 5625  
Telex: 262374

EXHIBITING AT  
OTC HOUSTON  
STAND 1375





# POZZOLAN

Read between the lines !!

## Greater durability

The Giant Ninian field master platform undertaken by Howard Doris Ltd at Loch Kishorn contained an estimated 150,000 cu.m of concrete containing 17,000 tonnes of Pozzolan.

## Improved performance

Pozzolan was specified in the concrete to increase resistance to sea water attack, thus giving a longer, trouble free life, better pumpability, easier slip forming, smoother surface finish.

## Advanced concrete technology

and hence increased operating efficiency. Reduction of the cement content reduced the temperature problems. All these advantages at no extra cost.

## Nationally available

Your construction project may not warrant the high standards met by Howard Doris Ltd but it is a comfort to know that your concrete could have the advantages of Pozzolan.

## Total confidence

Specify Pozzolan for your important structures.

## POZZOLANIC LTD

suppliers of quality assured pozzolan to Agreement Certificate 75 283  
Nicholas Street Mews, Chester. Telephone Chester 49104

Plants: Nottingham, Warrington, Gainsborough, Telford, Alloa.

## Howard Doris — one of over 300 companies who have chosen our Auto Airflow Bulk Handling and Storage Systems

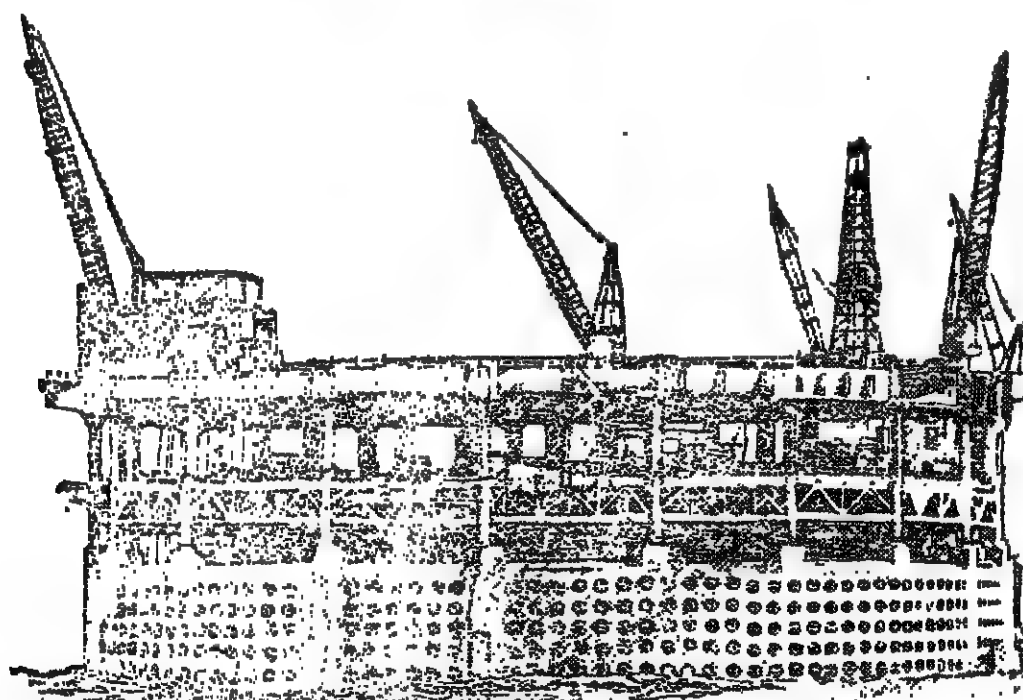
For their 400,000 tonnes concrete oil production platform in the Ninian field, Howard Doris appointed John Grist Ltd to design, supply and commission the entire installation to off-load-store-rehandle and transport by floating silos, the cement and pozzolan needed at both dry and wet construction sites.

Just one example of the confidence placed in our unrivalled experience in the area of pneumatic conveying and materials storage equipment acquired over many years. We manufacture an extensive range of steel silos with capacities up to 2,000 tonnes cement, and a proven pumping system based around our Auto Airflow low pressure pumps which between them brought an entirely new level of ease, efficiency and economy to the business of bulk conveying and storage.

Our combination of the most up to date equipment and techniques, and our somewhat old-fashioned standards of courtesy and personal service could well be the answer to your problem...

## JOHN GRIST LIMITED

John Grist Ltd., Highgate House, Hawkhurst, Kent TN16 4AP  
Tel 05085 2678 Telex 957065



## OUR BIGGEST ADVERTISEMENT FOR STABILIZED STRAND

3,500 tonnes of GKN STABILIZED strand is being used in the construction of the Loch Kishorn oil-rig — the largest offshore pre-stressed concrete structure ever to be built.

The outstanding mechanical properties of STABILIZED strand result in high load capacity, low relaxation, excellent consistency and resistance to fatigue and stress corrosion—making it the ideal pre-stressing material for offshore structures.

The STABILIZED range covers strand from 7.9 mm to 19.3 mm, and Compact STABILIZED Strand is available in 12.7, 15.2 and 18 mm. Please write for full details, or see us on stand 15-21 at the 1978 F.I.P. International Congress and Convention at Wembley, April 30-May 5.

## GKN SOMERSET WIRE LIMITED



P.O. Box 56, Pengam Works,  
Cardiff CF1 1RW.  
Tel: 0222-33033. Telex: 49316.  
A member of GKN Rolled & Bright Steel Ltd.

## NINIAN CENTRAL OIL PLATFORM IV

# The partners in the field

THE DEVELOPMENT of the Ninian Field has mirrored more than most of the big North Sea discoveries, the pitfalls and opportunities of oil exploration around the world. The companies that have come together to exploit the U.K.'s third largest oil discovery range from members of that exclusive oil club, the Seven Sisters, through the State-owned interests of the British National Oil Corporation (BNOC), to Imperial Chemical Industries, one of the world's largest chemical groups, and a clutch of independents that include in their midst London and Scottish Marine Oil, an entrepreneurial venture founded largely to give the financial institutions a direct way of investing in the North Sea.

Now missing from the list, however, is Burmah Oil, the first operator of the Ninian Field, which was forced to bow out prematurely and sell its major share in the field to BNOC, in the struggle to extricate itself from severe financial difficulties.

The company that first made the discovery that has become known as the Ninian Field was British Petroleum, acting on behalf of a group that included Ranger Oil from Canada and London and Scottish Marine Oil, which later merged with its partner Scottish Canadian Oil and Transportation early last year. The find was made on block 3/8, about 85 miles east of Shetland. But further drilling showed that the field extended well into the adjacent block 3/3, an exploration area held by Burmah Oil, which sold its share to BNOC in 1975. ICI, Chevron Petroleum, Murphy Petroleum and Ocean Exploration.

The field has been developed by the participants in both blocks. Chevron took over responsibilities for the field in March, 1975, and BP has handled the construction of the pipeline and acted as chairman of the committee of management.

Chevron, the Standard Oil Company of California (SOCAL), has had something of a chequered career in the U.K. Only in the last few weeks remarks by Mr. George Keller, vice-chairman of SOCAL, have sparked a row with its State partner in Ninian, BNOC, which he accused of being an "albatross" that was making no contribution to the British economy but was responsible for a slow-down in North Sea development.

His remarks have since been played down, but the growing sense of unease between some

of the world's biggest oil companies and the State oil corporation, which is establishing an increasing and dominant presence in North Sea development, has been reflected in comments from other oil companies, such as Occidental. But Chevron is not a newcomer to difficulties with the U.K. authorities.

Back in 1969 it applied for planning permission to build a 255m. oil refinery on the Clyde estuary. Along with another refinery application by one of its future Ninian partners, Murphy Oil of the U.S., Chevron's proposal ran straight into a full-scale argument about the way in which the Clyde estuary should be developed. At the time there was fundamental disagreement about whether the emphasis should be on industry or tourism and about the nature of the industrial projects that should be permitted.

## Grew

As the years went by the cost and the scale of the proposal grew. By the time it was turned down after a lengthy public inquiry in 1971 it had become a 550m. 100,000 barrel-a-day refinery. Chevron doggedly re-entered the lists in 1973 proposing to build a 265m. to 335m. 7m. tons-a-year refinery at Hunterston, also on the Clyde Estuary. But by this time the Government was insisting that it was only interested in a refinery development if it led to the building of additional, more labour-intensive industries at the site and Chevron's proposals foundered again.

Chevron's name is relatively new to the oil scene in the U.K. because for many years its marketing interests were bound up with another of the Seven Sisters, Texaco, under the banner of Regent. In the late

1960s when the two giants of the oil world decided to separate their U.K. interests Regent was the third largest oil company in the country, owned 75 per cent. by Texaco and only 25 per cent. by Chevron.

Chevron, the sixth largest oil company in the world, began trading under its own name in the U.K. almost exactly 10 years ago, when it took over 93 of the petrol stations owned by the Caltex joint venture, which had traded under the Regent name. Standard Oil of California and Texaco had been associated together in joint marketing operations in the Eastern Hemisphere ever since the late 1930s when they formed a partnership to exploit Saudi Arabian oil. (It fell to SOCAL to discover the vast reserves of Saudi Arabia, after Texaco, Exxon and Gulf had all turned down the opportunity). SOCAL found itself with an abundance of crude oil but insufficient market outlets with the opening up of the Saudi reserves, and it was a natural move to go into joint venture with Texaco, which at the time was rapidly expanding, had plenty of markets and was glad of a new source of oil.

To-day Chevron still has no refinery facilities of its own in the U.K. to process its Ninian crude or to support its chain of petrol stations, but elsewhere in Europe it has connections with five refineries at Frankfurt, Pernis, Treviso, Rome and Feluy, and controls more than 6,000 service stations in Europe. Apart from its U.K. licences it is also active in exploration in Europe in Denmark, Holland, Spain and Portugal. Last year an international consortium for which it is operator, made the first offshore oil find in deep water in the Gulf of Valencia.

Taking in the group's worldwide interests Chevron supplies

about 6 per cent. of the non-Communist world's market for refined petroleum products, which are derived from crude oil taken from areas from the Arctic to the Middle East and Australia to South America. Formed from the break-up of the original Standard Oil group—a move ordered by the U.S. Supreme Court in 1911—SOCAL has grown into a company that last year produced a total of 3.4m. barrels of crude a day worldwide and averaged daily sales of 2.4m. barrels of refined products. As in the late 1930s it still has an abundance of crude and a shortage of market outlets.

Unlike Chevron, with its 16.8 per cent. share in the Ninian Field, which traces its origins back 100 years to the first commercial oil well drilled in California, London and Scottish Marine Oil (Lasmoo) with a 9 per cent. share only came into existence in 1971 and it did not become a publicly quoted company until last year.

Lasmoo dates back to a meeting in 1964 between Jack Pierce of the Canadian Ranger Oil Group, which also has a 6 per cent. share in Ninian, and Michael Belmont, a partner in stockbrokers Cazenove. They gradually put together an institutional consortium to bid for exploration concessions. By 1970 they had collected a group of 30 leading insurance companies and investment trusts to form the consortium SCOT, Scottish Canadian Oil and Transportation. In 1971 this was enlarged by Cazenove and other backers to form Lasmoo in order to bring in more substantial institutions.

By 1975 they were still unquoted and largely unknown oil companies faced with the task of raising from the public the larger part of their share of the development costs of Ninian, a total now put at

£1.6bn. Owing much to the ingenuity of their advisers, Cazenove and Morgan Grenfell, Lasmoo and SCOT broke entirely new ground by creating a new kind of security in the largest private-sector issue ever made on the London stock market. The security, Oil Production Stock, offered the investor a direct stake in the value of the oil extracted, and was offered in conjunction with fixed interest loan stock. The move was entirely successful and raised finance for the two companies to the tune of £75.75m.

In January last year Lasmoo and SCOT merged by means of a share exchange offer which effectively made SCOT a wholly-owned subsidiary of Lasmoo. Six months later it was launched as a public company. Lasmoo has still of course, to make any money, but once the oil starts flowing from Ninian its outflow of cash will be reversed, and profits are likely from 1980.

## Seeking

Lasmoo has signed agreements with the Belgian oil company Petrulfina for the sale of crude oil to the end of 1982 but for the four years from 1979 it has also kept the flexibility of being able to sell to other outlets it may develop. When the substantial cashflow develops from the Ninian oil Lasmoo will be seeking other investments in oil exploration and production and is likely to participate in future licensing rounds.

Since mid-1974 Lasmoo has received advice and technical services for the Ninian project from Ranger Oil of Canada, which also has a six per cent. share in Ninian. Ranger carried out its first technical survey of the U.K. sector of the North Sea back in 1964, but was unsuccessful when it applied for production licences in the first round in 1970.

But in 1973 it was granted interests in three licences and has since drilled several wells in the U.K. sector as operator. With BP, Chevron and Esso Exploration Norway it has participated in several other wells in the North Sea. To a small company like Ranger the Ninian discovery provides a great addition to its reserves of oil and gas liquids. Its share of proven Ninian reserves is estimated at some 57.8m. barrels. At the end of 1976 it had proven reserves of 6.7m. barrels in Canada and 528,000 barrels in the U.S.

Its \$120m. financing deal to fund its share of Ninian development was another novel package, virtually arranged on the back of Chevron. Chevron will purchase Ranger's share of Ninian oil throughout the life of the field and in return Chevron has guaranteed Ranger's obligations under its \$120m. bank loan.

The biggest shareholder in Ninian, however, is the State-owned BNOC with 21 per cent. It acquired its interest in March 1976 when it bought out the share held by Burmah Oil for about £90m. Along with its equity share in the Thistle Field, of which it is operator—and which it also acquired from Burmah—BNOC's share in Ninian will mark the latest role it is playing as an oil trader.

By 1980 it will be handling between 800,000 and 1m. barrels a day of equity and participation crude from the North Sea and this will be added to by oil taken as royalty. The total will be a significant one even in world terms. BNOC will be controlling perhaps as much as 7 to 10 per cent. of the world's total output of low-sulphur premium crude. Apart from its position as an oil company, BNOC's advisory and monitoring role in offshore affairs has grown rapidly in the last two years, often to the unease of

CONTINUED ON PAGE VI

# The maintenance programme

NORTH SEA experience to date has tended to strengthen the emphasis laid by operators on the need for adequate inspection and maintenance programmes. There have been a number of occasions, probably more than expected, when producing platforms have had to shut down for repairs.

Shut-downs are very expensive, even when brief. Cash flow from production ceases; operating costs continue. In addition to the need to conform to the requirements of the authorities, therefore, an operating company has every incentive to do all it can to look after field facilities in the interests of itself and its licence partners. Chevron, as Ninian field operator, is no exception. If there is a difference between Chevron and other North Sea operators it is that, although Ninian is Chevron's first North Sea field, the company has been working offshore for some 30 years and has been an operator in virtually every major offshore oil province in the world.

This experience, says Chevron engineers, does not engender a feeling of know-it-all arrogance, rather one of humility. Inspection and maintenance has top priority in Chevron, says Warren Breiner, operations supervising engineer, because the company knows what may happen if it is neglected. "An ounce of prevention is worth a ton of cure."

But that ounce of prevention, though valuable, will also be costly. And is usual in the North Sea, most of the work will be undertaken on contract and Chevron acknowledges that there is a sizeable continuing market ahead on Ninian for contractors of many kinds. Long-term contracts are not considered appropriate and most work will be placed on a job-to-job basis. Nevertheless, it is foreseen that efficient competitive contractors could well be active on Ninian with little interruption throughout the field's productive life.

## Weather

The principal difference between maintaining an offshore and an onshore installation is the offshore operator's dependence on the weather. As in construction, so in operation; bad weather can hinder or halt the arrival of men and materials and hold up the work itself. For example, last winter, when derricks were being built on the southern Ninian platform, appalling weather meant that in one 30-day period only 30 hours of work were possible.

So Chevron's inspection and maintenance programmes for the Ninian platforms are planned to peak annually in

the middle of the summer weather window.

Each programme covers a five-year period up to the time when the platform's certificate of fitness is due for renewal. During this time every item on the platform will have been examined. The more sensitive areas—pipeline risers, for example—will be looked at every year.

The programme is designed to be flexible and to be modified as experience grows. Should specific items give cause for concern, the intervals between each inspection will be reduced. Conversely, since the programme, Chevron insists, is an unusually stringent one, it may be possible to increase the intervals between inspections in areas found to be trouble-free.

Visual inspection is supplemented by built-in monitoring and protection systems. For example, Ninian's steel platforms, like all steel platforms in the North Sea, have cathodic protection systems designed to safeguard the structure against corrosion. In Ninian's case, sacrificial anodes are used until the platforms become operational. Then an induced anode system takes over. Anodes set in the seabed are activated by current from the platform generators. One of the advantages of this system is that it means a valuable reduction in jacket weight.

Another is that it can be monitored by observing current flow from the platform. To give an early warning of any damage to the steel structures, such as faulty weld or a broken strut, Chevron is about to install a system on the southern platform which will indicate changes in rigidity. The system will be experimental at first but, if successful, will be fully installed on both Ninian's steel platforms.

On the concrete central Ninian platform damage by sea action or fatigue is considered less likely. After all, one of the points made in favour of concrete platforms is that they are comparatively maintenance-free. Nevertheless, the concrete structure will be carefully examined annually. And an immediate and rigorous examination of both steel and concrete structures will, of course, be necessary if they are subjected to impact—hit by a ship, for example.

Under no circumstances is any monitoring system regarded as a substitute for periodic visual inspection, says Chevron. In the case of the subsea parts of the installations, this will be done by divers, manned submersibles and remote-controlled vehicles (RCVs).

Chevron is particularly interested in the use of RCVs—underwater "robots" carrying

TV cameras for inspection and capable of carrying out certain manipulative functions—and has tested several different types.

The use of divers will be avoided wherever possible, not simply because they tend to be expensive but because the company is greatly concerned by the risks involved, particularly to saturation divers. Nevertheless it is recognised that there is no practical substitute for divers in a number of subsea operations.

## Charter

To provide services essential to the inspection and maintenance programmes, Chevron is about to charter a dual-purpose monohull ship, equipped to the company's specifications, which will be stationed on the field on long-term contract.

The ship will have fire-fighting equipment including a water-pumping capacity of 30,000 gallons a minute. But it will earn its keep as a base for inspection and maintenance operations. It will have air diving capability and will be capable of accepting modular saturation diving equipment. In Chevron's view, this is preferable to a ship with permanent saturation facilities since it saves the considerable cost of maintaining facilities when they are not in use.

But Chevron has deferred the decision to order a large and advanced semi-submersible maintenance support vessel similar to that recently delivered to Phillips Petroleum, Phillips 55, and to those which other North Sea operators have either ordered or intend to order.

"We are first going to set at least a year's operating experience on Ninian in order to assess our needs more accurately," says Mr. Breiner, "we may then order a suitable semi-submersible."

In the meantime, with the arrival of the monohull support vessel, the company considers it will be adequately equipped to carry out its inspection and maintenance programme and will be well covered on the safety side.

The Ninian Field's installation phase will continue for more than a year and during that time there will be large vessels on the field able to help in an emergency. At the moment there are two—the Borgard Dolphin and the Viking Piper.

Chevron is also a member of its North Sea sector club—the "red" sector club—formed to ensure co-operation between nearby operators in the event of a major incident such as a large fire or a blow-out.

Bruce Andrews

## BICC General Cables Limited make Ninian work— with a little help from our friends

BICC General Cables Limited — the sole suppliers of cables that power everything from drilling to the accommodation lighting on the Central platform.

Projects of this magnitude demand the very best cables. The installation of our wide range of cables on this platform is a prime example of our expertise and technology being applied successfully in onerous conditions.

Associated products and services of our friends — Balfour Kilpatrick, Vantrunk, BICC Pyrotech and BICC Components — operating companies of the BICC group made it possible for BICC to supply Chevron with a complete electrical installation package. A package to ensure productivity, efficiency and safety on the platform.

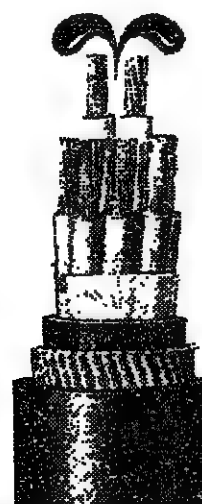
Our products. Our people. Our involvement — with specialists from procurement agencies, contractors and specifiers. From early research through to planning and construction. Working as a team, with a team.

Together we did it for Ninian — together we can do it for you!



## People who make things work

BICC General Cables Limited, Leigh Works,  
LEIGH Greater Manchester WN7 4NB  
(An Agency Company of BICC Limited  
and a Member of the BICC Group)



## TENNANT INSURANCE SERVICES LTD.,

Congratulate  
**HOWARD DORIS LTD. &  
THE NINIAN GROUP**  
on their unique achievement  
in the construction of the  
**NINIAN CENTRAL PLATFORM**

We are proud to have been associated with this contract as insurance brokers to Howard Doris Ltd., and to have arranged the required insurance cover on their behalf.

Tennant Insurance Services Ltd., are The Building and Construction Insurance Division of Tennant Budd Ltd., (at Lloyd's) and offer a Comprehensive Insurance service to the Building and Construction Industry.

Enquiries:

Saracen's Head House  
92 Fenchurch Street, London EC3M 4EE  
Telephone: 01-481 8451 - Telex: 957021

هكذا منة الأجل



## NINIAN CENTRAL OIL PLATFORM V

# Delivery by seabed pipeline

THE DISCOVERY of the Ninian oil field over 100 miles east of Shetland confronted the oil industry with one of its greatest challenges in terms of oil collection.

The main factors affecting choice of oil collection and transportation systems are costs and safety. The costs factors can also be subdivided into capital costs, operational costs, maintenance costs, the costs of delays in productive capacity because of systems failure, and in the North Sea in particular, weather. Safety factors, however, are more difficult to estimate since they depend on an evaluation of the likely results of a systems failure.

The bulk of the costs involved in pipeline transportation are related to capital investment whereas with tanker transportation, which provides the basic alternative, the majority of the costs are operational. Where recoverable oil reserves are high, as they are in Ninian, the higher investment cost is justified in terms of sheer oil volume.

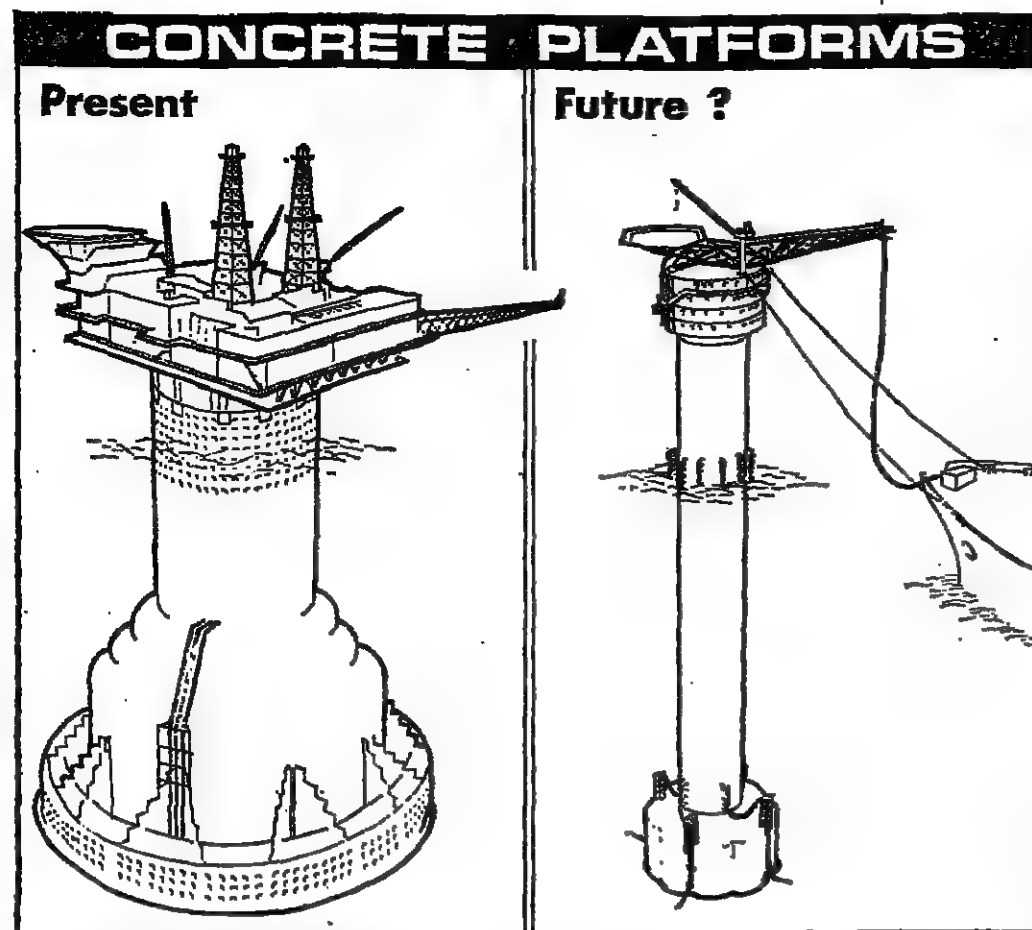
In the case of Ninian the safest and most economical method to collect and distribute the oil was to lay a 36-inch diameter pipeline along the seabed, a formidable challenge but one that was met and conquered with few problems.

British Petroleum announced the discovery of Ninian in January 1974 but even before that extensive seabed surveys had begun from the Brent field for a pipeline to the planned oil terminal at Sullom Voe in the Shetlands. A variety of techniques were used to evaluate possible pipeline routes. These included echo sounders to measure water depth, side-scan sonar to reveal possible obstructions such as rocks and wrecks, and the "boom" to send low frequency signals through the water and the first 50 feet of seabed to reveal the structure of the ocean bottom.

Samples of the seabed were collected using a vibrocorer, underwater cameras mounted on mini-submarines photographed areas in detail while current meters were used to test the speed and direction of water flows at various depths.

For the final section of the pipeline across the land, permission had to be obtained from local landowners. Conservationists were consulted about restoration works and archaeologists were asked to advise on the best route to avoid Shetland's historical relics. Once the survey work was completed the final route of the pipeline was decided.

The total length of the ocean section of the Ninian pipeline



Future concrete platforms will almost certainly be much smaller than the Ninian structure (left). Howard Doris has designed a gravity tower (right) that could be installed on new North Sea discoveries.

is 158.15 kilometres starting at Ninian central and stretching westwards before bending south round the Poble Bank to landfall at Gruik Wick on Lunnas Ness. The pipeline crosses Lunnas Ness to enter Swinling Voe, a 4 kilometre-wide stretch of inland water, at Cull Ness reaching land again at Firth before running parallel with the Brent pipeline for the remaining stretch to Sullom Voe. The total length of the land section, excluding the water crossing, is 12 kilometres.

### Links

A trunk pipeline, 24 ins. in diameter, links the southern platform into the Ninian pipeline via Ninian Central. A further trunk line, not yet constructed, will link the northern platform in a similar manner. Yet another trunk line will link the Union Oil Heather field into the system adding an estimated extra 50,000 b/d to the Ninian throughput.

There are 13 companies in the Ninian Pipeline Group, with British Petroleum acting as pipeline constructor. The total cost of the pipeline is said to be £180m. Despite the cost, the

alternative collection system involving deep-water single point moorings to service a shuttle of oil tankers, was not considered economically viable. Pipeline design work began in May, 1974 and in January, 1975 BP signed a contract with the Swiss-registered Viking Offshore.

The pipe itself, 40-ft. lengths of thick-walled high tensile steel, weighing a total of 80,000 tonnes, was supplied by four companies — Kawasaki Steel of Japan and three Japanese companies, Sumitomo Metal, NKK Fukuyama and Nippon Steel.

After shipping to Invergordon each length was coated with an anti-corrosion wrapping and covered with concrete to give further protection and, more importantly, to weigh the pipe down in the trench. The pipe lengths were then stockpiled in the Nordsco supply depot in Lerwick run by Nordsco Services.

Pipelining began in June, 1975 using the semi-submersible barge Viking Piper owned by Viking Offshore. The special design of the 550-ft. craft enabled it to ride through the large waves of the inhospitable North Sea rather than over them.

Apart from the weather the major problems on the ocean pipeline section were the depth of water, sometimes more than 500-ft. deep and the seabed which was irregular and boulder strewn.

The first section to be tackled was the most difficult. Within half a mile of landfall at Gruik Wick the seabed drops 270 feet. There were the inevitable teething problems, mostly related to the anchor winches which were eventually completely refurbished during a winter refit in Hamburg.

During pipelining Viking Piper had to support 1,300 feet of pipe in a carefully controlled "S" shaped curve. A stern ramp or "slinger" supported the pipe and controlled the shape of the curve so excessive strain was avoided.

On board, tensioners capable of exerting up to 300,000 lb tension, held the pipe in position. The maximum tension was in the region of 280,000 lb. Twelve anchors grouped in sets of three round Viking Piper held the craft steady while pipe lengths were welded together on the "ring line," the welds were then

tested using X-ray and ultrasonic methods.

Each joint was wrapped in strip metal sheathing filled with bitumen and reinforced steel fabric. As laying proceeded the anchors were hauled up and moved on by tugs while Viking Piper "crawled forward" on its anchor winches leaving another section of completed pipe.

Apart from the tugs and supply boats bringing fresh supplies of pipe there were other craft involved in the operation. A survey boat mapped the precise position of the pipeline and a two-man Vickers mini-sub made a videotape recording of the condition and attitude of the pipeline as it was laid on the seabed.

### Refit

The first 68 kilometres of the pipeline were laid by the end of October, 1975 when Viking Piper went to Hamburg for a refit. Pipelining began again in April 1976. On May 23 the final 93 kilometres of pipe had been put down on the seabed. For this final section Viking Piper had averaged over 1.86 kilometres per day. Despite waves of up to 8 metres high, not once did the pipeline have to be placed back on the seabed. The record for pipelining was 254 lengths per day and BP officials describe performance on this section of the project as "very good."

Once Viking Piper had finished its work on the main pipeline it began laying the 24-inch pipe to the southern platform while the main Ninian pipeline was pressure checked. Viking Piper was followed by the Creek, a trenching barge owned by Santa Fe which began work on April 27, 1976. The Creek continued trenching into 1977. A trench was made using water jets, high pressure air and a sledge making several passes to achieve the required depth.

On land there were different problems with which to contend. William Press were awarded the contract for laying the 900 lengths of pipe with the exception of the four kilometre Cul Ness water crossing which was

handled by Land and Marine. The top soil on Shetland is primarily peat on a clay subsoil and apart from the obvious problems of cutting through rock it was the reinstatement of the peat which provided most of the land section headaches.

Conservationists and the North of Scotland Agricultural College provided some of the advice in this area. The peat was sometimes 15 feet deep while depths of 9 feet were quite common. Having reached the clay or bedrock a trench 7 feet deep and 5 feet wide was dug ensuring the pipeline was always buried to a depth of at least 3 feet.

Particular care and attention was paid when planning the land route to the need to protect flora and on Lunnas Ness the route was also altered to preserve the remains of an old monastery.

Work on the land line was started in three different sections. One of the most difficult areas was the cutting through of a high cliff where the line re-emerged from water at Firth Ness. For the last 4 kilometres the Ninian pipeline shares a common route next to the Brent line parallel to the new Sullom Voe access road.

After careful reinstatement using lime and slag before replacing the peat, and seeding to prevent erosion, much of the land pipeline scar has not healed. Where the line ran through dry stone walls these have been rebuilt and soon the heather will return to mask the pipeline route for ever.

Much of the ocean section of the Ninian pipeline has now been in the sea for two years. Although it has been subjected to periodic tests, and will continue to be surveyed by submarine at least once a year when in use, the final test comes when the first oil is pushed through the line using pumps on the production platforms.

The line's maximum throughput is about 950,000 b/d but actual throughput from Ninian's and Heather is likely to peak at about 380,000 b/d in 1982 providing plenty of spare capacity for more discoveries.

Paul Taylor

If you ever think of pulling submarine pipelines at the Straits of Magellan

(or somewhere more hostile), why will you think of

Land and Marine because we are doing just that!

Over 1500 tons of our specialist equipment is now on its way to the Straits of Magellan—including the 200-ton pulling winches that pulled the Ninian pipeline.

When you are basking in the sun of the Northern Summer, think of us in the gales, snow and ice of Magellan's Midwinter. We're not too keen on penguin pie, and hope to be back for Christmas dinner.

### The 2,000,000 bpd platform ticket

In the North Sea alone we have supplied desaturation tower packages to deoxygenate upwards of 2,000,000 bpd of well injection sea water for secondary recovery of crude oil.

These platforms use Eta desaturators:

Beryl	Mobil
Brent A	Shell
Cormorant A	Shell
Heather	Union Oil
Ninian (Central)	Chevron
Ninian (North)	Chevron
Ninian (South)	Chevron
Tartan	Texaco
Thistle	BNOC

If you require further information please contact Dr. R. Burgess

### Eta Process & Effluent Plant Ltd.

The Levels, Breerton, Rugeley, Staffs WS15 1RD.  
Tel: (08894) 6524 Telex: 36519

## Set among a cluster of major finds

THE NINIAN Field, the third largest in the U.K. sector of the North Sea, lies some 90 miles north-east of the Shetland Islands in one of the most prolific offshore oil producing areas in the world.

The field is located in a cluster of major finds, all of which have been discovered in the East Shetland Basin which straddles the U.K./Norwegian median line in this northern part of the North Sea.

These discoveries — Brent, Thistle, Cormorant, Statfjord, Hutton, Murchison, Heather, Ninian, Magnus, Dounis, and Tern — will contribute most to Britain's oil and energy self-sufficiency in the 1980s. Most of the crude from these fields will be transported ashore through two pipelines: the Brent and Ninian lines to Sullom Voe in Shetland. The proximity of these fields will probably give rise to common gas gathering facilities as well; indeed Shell and Esso as owners of the Brent Field and Brent gas pipeline have already begun discussions with neighbouring operators.

### Reservoirs

But the development potential of the East Shetland Basin has been far from exhausted. It is known that smaller (but not that small) reservoirs very close to existing fields are there to be exploited — discoveries like North East Thistle and North Cormorant.

Most of the oil in this region is thought to lie in rock depths of between 3,000 and 12,000 feet. It is an area that has rewarded exploration groups with a far higher rate of success than the worldwide average. Between 1970 and 1977 no less than 227 exploration and appraisal wells were drilled by semi-submersible rigs. Of these wells, 43

discovered oil or oil and gas condensate. The success ratio of dry holes to discovery wells was running at an impressive 3:1 during the period 1970 to 1976, although with many of the best features explored this ratio slipped to 7:1 in 1977. But even this achievement was well above the world average.

According to an analysis by British National Oil Corporation (BNOC) there are a few remaining structures to be investigated in this region of the North Sea. While the features are likely to be relatively small they do have a high potential for successful discoveries. So the exploration staff within the Corporation believe that some 34 per cent of the exploration activity on the U.K. Continental Shelf will be concentrated in the East Shetland Basin. In future years the emphasis will swing to new areas with the result that the East Shetland Basin will account for an estimated 22 per cent of exploration drilling next year and only 9 per cent in 1981.

The Ninian Field was discovered and initially appraised in 1974 when it was becoming clear that Britain was on the threshold of being one of the world's top 10 oil producers. In March the BP/Lasmo/Ranger consortium drilling on its block 3/8 encountered a substantial thickness of oil-bearing sandstone. Another well drilled on the block that summer tested an oil flow of 3,100 barrels a day.

But the consortium's neighbours — Burmah (now BNOC), ICI, Chevron, Murphy and Ocean Exploration — were having even more success with their drilling on block 3/3. In April they had completed an exploration well which tested on flow rates of 2,600 to 8,200 barrels a day. The second well on the block, drilled immediately afterwards confirmed the structure as an important find for this time oil flowed at rates

from 3,900 to 9,350 barrels a day.

Further evaluation over the next two years, when four more wells were successfully drilled, proved the Ninian structure to be a tilted fault block running north to south through licence blocks 3/3 and 3/8.

The oil reservoir itself is a Middle Jurassic sandstone, a widespread formation that is productive in other northerly parts of the North Sea. The total oil column is approximately 1,100 feet thick for the highest point of the structure is about 9,300 feet below the seabed and the oil-water contact occurs at about 10,397 feet.

### Estimates

According to petroleum consultants DeGolyer and MacNaughton the amount of oil-in-place within the Ninian structure is a shade over 3bn barrels. Estimates of recoverable reserves vary between 900m. and 1.2bn barrels. The Department of Energy's latest "Brown Book" of offshore statistics quotes the operator's estimates of proven recoverable reserves as 1.16bn, whereas North Sea analysts at stock brokers Wood, Mackenzie, have opted for a figure of 1.1bn.

All the participants have agreed to proceed with development on the basis that 30 per cent of the recoverable reserves lie in BP's block 3/3 and 70 per cent lie in Chevron's block 3/8. The initial rate of production expected to be attained in the fourth quarter of this year, should be in the region of 50,000 to 60,000 barrels a day. Output could rise to 150,000 b/d next year and peak of 360,000 b/d in 1982. This peak rate will be short-lived, however, and after a period of only one or two years production will begin to decline at an annual average rate of about 15 per cent.

The central platform—the hub of the production system—will account for a major share of the expected oil flow. Lummus, in association with Crest Engineering (U.K.) and Humphreys and Glasgow, has designed and supervised the fabrication in British and Dutch yards of the modular superstructure which will be capable of accommodating 42 wells and two drilling rigs.

By the early 1980s the central platform alone should be producing oil at the rate of 276,000 barrels a day. Water injection wells will help to maintain the reservoir pressure to boost oil output. In view of the unsaturated nature of the reservoir and the uncertainties surrounding the amount and effectiveness of the natural water drive, the Ninian partners believe that the field cannot be produced economically without some form of pressure maintenance.

Reinjection of gas might have been an answer to the problem, but it was found that there was insufficient natural gas in the reservoir to perform a full reinjection programme. Furthermore, the Ninian partners were concerned that reinjecting gas could harm the oil reservoir. Consequently, water injection was chosen. All this means that the platforms have been designed for simultaneous drilling, oil production, gas liquid recovery, water injection and crude oil transfer. The central platform will handle 220,000 barrels a day of injection water quite apart from the 276,000 b/d of oil. Furthermore, the central platform will serve as a junction for the shore pipeline, the gathering point for oil from the other two Ninian platforms as well as for oil from the nearby Heather Field, and as the junction for a regional telecommunications terminal. This helps to explain why the central platform is such a monster installation.

Ray Dafer

# bigger the better



Major reinforcement, shuttering and scaffolding contracts are our speciality—and they don't come much bigger than the Ninian Central Platform. We are proud to be associated with this important project and have a part in shaping the future. Congratulations to Howard Doris Ltd. on a job successfully completed and our best wishes for the tow to the Ninian Field. Sincere thanks also to our 1,250 employees, whose loyal effort made the job possible.

Fergus & Haynes Civil Engineering Limited handled all the steelwork on the Ninian platform—cutting, bending and fixing steel reinforcement; erecting essential formwork; fixing rigid and flexible ducts for pre-stressed cables; erecting entire scaffolding and providing many other services. Fifteen years as a company creating bridges, motorways and the Plymouth frigate and submarine complex among other civil engineering

work has developed our experience. Current work includes motorways, a power station and petro-chemical contracts in the Middle East. We have our own plant and machinery. We have a highly trained labour force available. We formed Seagull Offshore Enterprises Ltd. as a specialised service to the industry. The bigger the job, the better we like it—bear our name in mind.

FERGUS & HAYNES CIVIL ENGINEERING LIMITED  
4 Kings Road, Chingford, London E4 7EX Telephone: 01-529 7147/8/9





# Pumping Ninian's Oil Ashore

The main pipeline pumps which will transfer oil from the Ninian Field were supplied by Mather & Platt Ltd.

This major project is one of a number of main pipeline pumping schemes in the North Sea for which Mather & Platt equipment has been specified.

## Mather+Platt

Centrifugal pumps. Electric motors. Suppliers of pumping equipment to the oil industry throughout the world.

MATHER & PLATT LTD  
ROTATING MACHINERY DIVISION  
PARK WORKS  
MANCHESTER M10 6BA  
Tel: 061-205 3321  
Telex: 667193

CW 26688

# NINIAN CENTRAL OIL PLATFORM VI

## Victuals and other supplies for men on the rig

IT IS no easy task to care for the bodily needs of several hundred men isolated for at least two weeks at a time in the very eye of the North Sea some 110 miles off the coast of the Shetland Isles. But Scot Catering and Offshore Services, which has just won the "hotel" contract to supply the central platform of the Ninian Field, faces the prospect with equanimity.

Those in the offshore catering industry cannot have been surprised by the news that the central platform contract had gone to Scot Catering. The company, which is a U.K. subsidiary of the Norwegian group Stavanger Catering, already supplies the first of the three installations destined to operate in the Ninian Field. If the company's supply contract is eventually extended to the third and smallest rig—which should go into position later this year—Scot Catering will have something like 45 employees working in the Ninian Field supplying everything from food to bed linen.

Between them the three installations will house some 326 beds spread between four- and two-man rooms. The central platform itself will match the south platform (already in position) with 188 beds; its off-duty facilities will extend to a 50-seat cinema together with a recreational

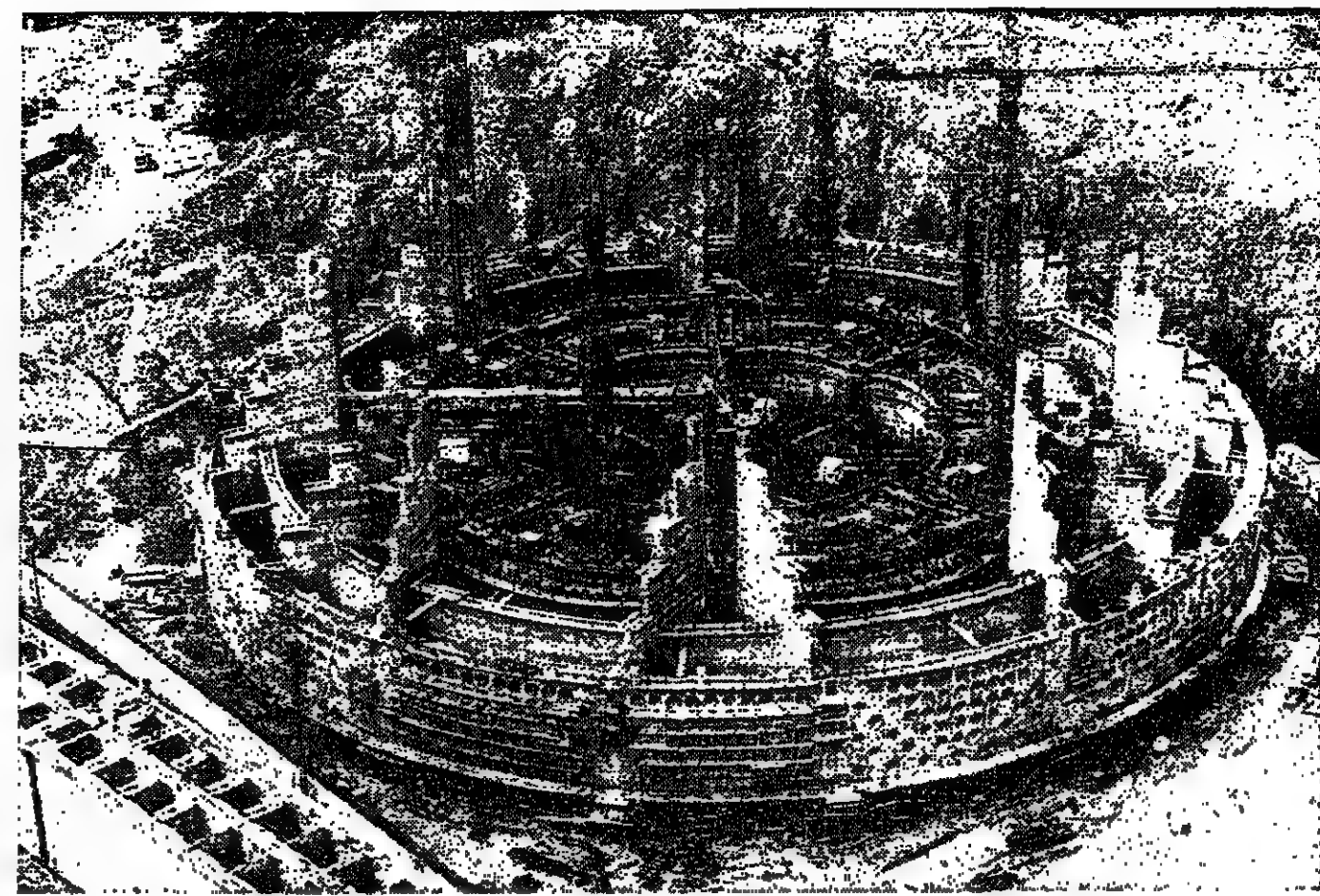
room containing pool tables plus the sort of infrastructure needed for dart, chess and table tennis tournaments. To make up for the lack of direct television—the platforms are out of range of U.K. transmitters—the operating company, Chevron, intends eventually to install video TV sets.

### Pedigree

It is clear, however, that the company has the sort of pedigree needed for the task it faces in the Ninian Field. In the 24 years since it was formed by its Norwegian parent, Scot Catering has been expanded into an operational unit mobilising some 425 employees all over the world—on inshore and land-based construction sites as well as on offshore installations.

The company's operational parameters on the Ninian contracts are defined by the undertaking to provide a "full house-keeping and janitorial service" 24 hours in every day. Its chain of supply is long and difficult and the company has to work within a flexible framework. But once the Ninian rigs settle down to full production one of the major economic advantages of offshore catering—forward, fixed costing—will come into force. Within limits, an offshore supplier has a fixed, captive audience, and it works from a supply base that is replenished just once a week.

Bad weather will drop an occasional spanner into the director's figurative work, especially during the winter months. But the catering industry at large is renowned for its resilience in the face of sudden upsets, and the offshore practitioners in the noble art of putting food and drink on the table are just as nimble footed as their onshore



Where it all started. Opening stages of construction at the Howard Doris Platform Yard, Loch Kishorn.

brethren. In general, at least two-weeks' supplies are stored on a rig in case of emergencies. Food served on offshore installations is described as "up to the standard of a luxury hotel."

Experienced observers will take this statement with salt to taste, but there is no denying the wholesomeness of offshore fare or the size of the inevitable rule at sea, and breakfast is of necessity an ad hoc affair. But the early-morning meal planned for the Ninian central platform is remarkably long. Lunch and dinner extend to fully three choices of hot dishes, plus an optional cold table.

At their present stage, with full operational schedules still some months away, the offshore installations within the Ninian Field continue to present off-

shore caterers with a problem of shifting population—shifting in the geographical sense as well as in the actual numbers to be fed and watered.

When the central platform was under construction at Loch Kishorn, some 2,000 men had to be catered for daily. They worked a three-shift, 24 hour day. Since then the central platform has moved from dry dock to floating dock, to a point one mile off the coast and finally to a site 10 miles out where it awaits a fixing point in the Ninian Field. At present, it is flanked by an accommodation module providing living quarters for workers putting the finishing touches to the platform.

The task of supplying the mammoth onshore army of workers at Kishorn fell to Sea Hotels which is the offshore catering arm of Grand Metropolitan's industrial catering division. Soon, Sea Hotels' links with the Ninian installations will come to an end, but the company's experiences provide an illuminating insight into the workings of an offshore catering company.

In the financial year ended

September, Grand Metropolitan's industrial catering activities returned "greatly increased profits" helping the group to push its overall pre-tax returns up to nearly 27.8m.

Registered in Aberdeen, Sea Hotels has built up its sales to around the £5m. mark since Grand Metropolitan went into the offshore catering business in 1974. And although the company relies on parent company buying muscle for much of its success it has of necessity maintained a large measure of independence.

Offshore installations of the exploratory type move around with some frequency and supply demands vary with weather conditions. At the same time any number of differing nationalities have to be catered for. Sea Hotels finds that many of its supply purchase demands do not overlap with the needs of the Grand Metropolitan central buying chain which is geared to large land-based hotels.

Once the right supplies have been purchased the task of distribution is undertaken by the oil company—the operator of the offshore installation. But storage out at sea finds the

last September, Grand catering ball firmly back in the supply company's court.

Sea Hotels makes the point that sea storage can at times be inadequate. On an oil rig space is at something of a premium and often the number of personnel involved will extend beyond the numbers envisaged when an offshore installation was originally designed. Less than perfect storage conditions can pose all sorts of problems for a catering company, especially when the weather turns sour as is so often the case in the North Sea.

Curiously, very few vending machines are found on rigs. There are drink dispensers, which offer water and squash free of charge and in this context it has to be remembered that very little cash actually changes hands out at sea. For safety reasons apart from anything else, offshore installations are "dry" with alcoholic drinks not available, at least in the U.K. sectors.

Items like newspapers, cigarettes and toiletries can be bought at the rig "shop" and tobacco has the advantage of being duty free.

Jeffrey Brown

## IT'S BETTER IF OTHERS DO THE TALKING . . . .

CONSTRUCTION NEWS

NINIAN PLATFORM • NINIAN PLATFORM • NINIAN PLATFORM

## Ninian's precast units — a triumph of transportation

**VITAL** implements precast concrete segments worth £2 million to be delivered to the Ninian platform in the North Sea. The project is a triumph of transportation for the precast concrete industry.

Meanwhile we have been quietly getting on with some other equally challenging projects.

May be you have an interesting shipping problem on which we could offer you some advice.

### Our activities include:

- Worldwide chartering by specialist Baltic Exchange brokers. (Average 650 fixtures yearly from 500 ton coasters to 60,000 ton bulk carriers).
- Project movements from works to site anywhere in the world for large, heavy and awkward plant, equipment, installations, etc. by charter, liner or specialised vessels.
- Technical supervision, cargo superintendence, marine design and consultancy.

**Ned**  
CHARTERING LTD

Coasting and European chartering • Deepsea chartering  
Liner shipping • Worldwide projects  
Sunley House, Gunthorpe St., London E1 7RW  
Telephone: 01-247 3332 (20 lines) Telex: 885328 886287 (5 lines)

## GKN support Ninian in a big way.

GKN are proud to have supplied thousands of tonnes of reinforcing bar for the construction of the Ninian oil platform.

If you would like details of GKN reinforcing bar write or phone now, or see us on stand 15-21 at the F.I.P. International Congress and Convention, Wembley, April 30th-May 5th.



Reinforcement Division, GKN (South Wales) Ltd.,  
Castle Works, Cardiff CF11 1TQ Tel: 0222-330333. Telex: 49316.  
A member of GKN Rolled and Bright Steel Ltd.

## Partners

CONTINUED FROM PAGE IV

the partners with which it is operating commercially.

But it appears that its influence can only grow. Since the fifth round of offshore licensing, it has been granted a 51 per cent. equity interest in virtually all blocks allocated. In addition, the Government has taken steps to give BNOG the first right of refusal to be involved in any farm-in deals, a move that has created a good deal of concern among other North Sea operators. And under the sixth round it appears that oil companies may be asked to pay at least a share of BNOG's exploration costs, although details will not be known until later this month.

For Imperial Chemical Industries the exploration for and production of oil is a secondary activity to its main occupation of being a chemical company. But with about 50 per cent. of its £4.6bn. annual turnover based on oil-derived products, it is clear that it has a big interest in both knowing the mechanisms of the oil industry as participant and customer, and in having a certain security of supply for its large purchases of oil and gas for both fuel and feedstock.

ICI first entered exploration in the early 1960s in a search for gas in the southern sector of the North Sea. Now with its 18 per cent. interest in the Ninian Field and its access to the Thomson Organisation's share of crude from the Piper Field, it is covering some 20-25 per cent. of its needs from its own resources. Apart from the North Sea it also has interests in exploration leases off the U.S. Atlantic coast in the Baltimore Canyon trough and in the Gulf coast area of Mississippi, Louisiana and Texas. ICI also has a half-share in a refinery on Teesside, supplies a chain of petrol stations mainly in the North of England and last year it emerged as a significant oil trader in its own right, buying and selling oil worth £69m.

The U.S. Murphy Oil Corporation has two stakes in the Ninian Field, one directly through Murphy Petroleum, which has a 7 per cent. share in the field, and another through Ocean Exploration, which also has 7 per cent. of Ninian and which as part of

Ocean Drilling and Exploration (ODECO) is 51.9 per cent. owned by Murphy.

Ninian is the biggest item in Murphy's capital expenditure programme and for a small oil company it has added greatly to its reserves of crude. The North Sea field is the biggest single part of its reserves at 114m. barrels. It is followed by reserves of 87.6m. barrels in Iran, 48.1m. barrels in the U.S. and 25.8m. barrels in Canada. It has been undertaking various related capital expenditure programmes to ensure that the large influx of North Sea crude can be successfully integrated into its refining and marketing operations. Earlier this year it announced a joint project with Amoco to build a £75m. catalytic cracker at Amoco's refinery at Milford Haven, South Wales.

### Process

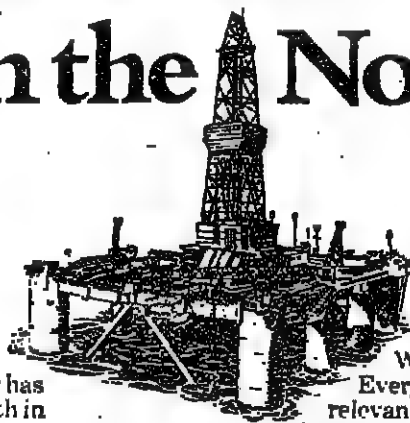
This project will give Murphy the right to process crude through the refinery, and without increasing the overall capacity it will allow the two partners to produce more petrol and less heavy fuel oil.

The final Ninian partner, British Petroleum with 15 per cent., has already established a pre-eminent position in the North Sea. In Ninian it is the chairman of the management committee, operator of the Sullom Voe Terminal in the Shetland Islands. Eventually through two pipeline systems Sullom Voe will be receiving oil from some of the biggest fields in the North Sea including Brent, Ninian, Thistle and Cormorant.

The North Sea already accounted for 12 per cent. of BP's supplies of crude last year for a worldwide total of 169m. tonnes. Production from its North Sea Forties Field increased to some 20m. tonnes, but liftings from OPEC sources still provided 80 per cent. of the group's crude oil supply. The fourth and last platform in the Forties Field, the second largest discovery in the U.K. sector of the North Sea, came into production a year ago, and BP is now planning the development of two more North Sea fields, as operator, the Magnus and Buchan discoveries.

Kevin Done

## A chance to explore the best source of news from the North Sea



In a little more than seven years the North Sea oil industry has grown enormously, both in offshore exploration and production, and in ancillary onshore developments.

It is an industry that lives with fast-moving expansion, politics and projects which stretch modern technology to its limits. Decisions involving millions of pounds arise almost every day and call for constant access to a wide range of up-to-date, accurate information.

This is what the North Sea Letter & European Offshore News (NSL) provides. Produced by the Financial Times Limited, NSL is an exclusive weekly review of oil and gas

activities on all sectors of North West Europe's continental shelf. Every week NSL gathers all the relevant information, interprets it, sets it in perspective, and provides a continuous well-referenced record.

This is compressed into a concise dozen or more pages that are essential reading for anyone involved in this dynamic industry. All for around £3 a week. So why not try the four-month test. Complete and return the coupon below and begin a four-month subscription, now.

Exploring for accurate information is rather like exploring for oil: painstaking, expensive work. This time, we think you'll find you've struck it rich.

To: Subscriptions Dept (NSL),  
Financial Times Limited,  
Bracken House, 10 Cannon Street,  
London EC4A 3DF.

Please enrol me for a four-month trial subscription to the weekly North Sea Letter at £30 in the UK (£63 overseas including airmail postage). The overseas rate is payable at current exchange rates in any currency freely convertible into sterling.

☐ Cheque enclosed (Cheque payable to Financial Times Limited (NSL))

☐ Please invoice me

BLOCK CAPITALS

Name

Position

Organisation

Nature of Enquiry

Address

Telephone

Date

Signature

Registered in London, No. 227590

هكذا منه الأمل







## STOCK EXCHANGE REPORT

## Higher MLR indications the start early rise in markets

## Equity leaders well below best—Gilts shed initial gains

## Account Dealing Dates

\*First Declara- Last Account  
Dealing tions Dealings Day  
Apr. 17 Apr. 27 Apr. 28 May 1  
May 2 May 12 May 13 May 23  
May 3 May 25 May 26 Jun. 1  
\*New time, 9.30 a.m. to 10.30 a.m.  
from 9.30 a.m. to 10.30 a.m. earlier.

Equity and Gilts-edged markets demonstrated again yesterday their current sensitivity, the former opening a shade easier and soon rallying quite noticeably before closing only marginally firmer, while the funds moved both ways prior to settling either unchanged or slightly cheaper on the day.

Industrial leaders furthered Wednesday's dull late trend at the outset but small institutional demand soon caused a smart turn-around which owed a good deal to continued short shortages and attempts, often unsuccessful, to cover existing open positions. Completion of the buying was followed by a period during which prices held steady until the Bank of England statement regarding Minimum Lending Rate. This indicated that the Bank would not prevent the rate today coming more into line with general market rates, a development which led to the majority view that an increase of 1½ per cent, to 8 per cent, was very probable.

The day's events were summed up by the FT 30-share index, down 1.8 at the first calculation, 6.7 up at the 2 a.m. measurement and finally only 2.7 up at 4.4, the best closing level since January 27. Situation stocks were to the fore, particularly Furness Withy and Redfern National Glass, the latter falling sharply following the Memorandum Commission ruling against the two proposed bids.

## Gilts uncertain late

British Funds moved similarly to equities in the early business and were around 1 higher after a quiet morning trade. The Bank of England signal, however, both confused and frustrated potential buyers in the late afternoon and commitments were deferred until the situation regarding MLR becomes clearer in the morning. Consequently, quotations of both the short and long were defensively lowered, with the latter ending at the overnight levels. The shorter maturities also suffered from speculation that the announcement of a new tap issue may be made at to-day's close

and finally sustained losses extending to 4. The reaction once again came too late to affect Corporation, occasionally better, while Pictard 9½ per cent. Preference staged a quiet debut among recently-issued fixed interests to close at 100p; the stock was issued to Ordinary shareholders by way of rights. A fairly good business was done in Traded Options as recorded in total contracts of 635. Marks and Spencer were less active, but still attracted 100 deals, while Grand Met, were the busiest of the day at 137 followed by ICI with 124. Shell remained quiet, but 10 contracts were done in the 400 series which was introduced yesterday. A new 130 series in Courtaulds is to be created to-day.

Much less interest was shown in the investment currency market. In a featureless trade, the premium moved between 100½ per cent, and 110½ per cent, for most of the day and closed at 110 per cent, which represented a loss of 2 points on the overnight level. Yesterday's conversion factor was 0.6708 (0.6771).

## Insurances better

Insurances encountered increased buying interest and closed firmer throughout. Brokers were again popular with Sedgwick Forbes and C. E. Heath both ending 4 at 250p, 3 and 67p respectively. Nine improved 6 more to 186p and Willis Faber and Dumas at 202p. Leslie and Godwin at 100p, held on to the previous day's speculative rise of 10. Composite beneficiaries included Guardian Royal Exchange, 6 up at 238p and Phoenix, a like amount better at 251p. 3

Major clearing Banks closed with only modest improvements. Midland firmed 5 to 370p and NatWest 2 to 250p. National and Commercial closed 7½ in reaction to the lower interim earnings before closing unchanged on the day at 7½. Among irregular Merchant Banks, Guinness Peat added 4 at 220p but Hambros dropped 3 to 187p.

A reasonably lively trade developed in the Brewery sector. Leading issues closed below the best, Baw ending 2 better at 183p, after 163p, and Whitebread 2, 3 dearer at 187p, after 171p. Distillers touched 187p before closing without alteration at 185p.

The firm tendency in Buildings was maintained in a reduced turnover and leading issues turned softer in the late trade. AP Cement touched 248p before

closing a net 2 up at 245p. Richard Costain and Marchmont firmed 2 apiece to 250p and 288p respectively. Pochins continued to respond to the interim figures, rising 5 more to 122p, and Aberdeen Construction firmed 3 to 85p despite lower annual profits. A Monk closed 4 dearer at 101p, after 183p, on speculative buying following Saint Piran's increased share stake and Eith rose a like amount to 78p in a thin market. Carron firmed 3 to 32p.

In quietly traded Chemicals, ICI closed 5 firmer at 332p after

ing director, had left the Group in order to join competitors NKS Newsagents; the latter improved 4 to 113p. Among Shoes, Ward White moved up 3 to 71p. Apart from Thora, which closed 6 dearer at 34p, Electrical leaders failed to hold earlier improvements and finished the day a few pence off on balance. Scattered improvements in secondary issues included Electro-components, up 4 more at 402p, after 408p, and Farwell, which put on 3 further to 250p.

Most of the Engineering leaders

Among Hotels and Caterers, Prince of Wales put on 10 further to 165p, while Grand Houses Fort 25p, and Trust Houses, 111p, firmed 3 and 2 respectively. Scots Restaurant, however, reacted 25 to 235p on the lower profits.

## Redfern fall late

Miscellaneous Industrial leaders encountered early investment demand and, with stocks in short supply, double figure gains were soon to be seen in places. However, prices eased in the late afternoon and closed well below the best. Redfern and Colman at 473p, held on to a rise of 17 following the annual report. Redfern, touched 611p before closing 7 higher at 633p and Glaxo ended 5 dearer at 538p, after 563p. Boots added a like amount to 216p and Scottish and Universal Investments closed 4 to the good at 122p, the latter awaiting fresh developments in the London bid situation. Elsewhere, Redfern National Glass became a late deal feature, falling 2 to 288p, after 270p, on disappointment with the Memorandum Commission's finding that the proposed bids from Rockware and United Glass would be against the public interest and shareholders' wishes. Rockware gained 3½ to 113p following the statement.

## Oils below best

Initially firm at 812p, following chairman's remarks on current trade, British Petroleum eased on profit-taking and Wall Street influences to close only 2 higher on balance at 804p. Shell traded similarly to finish a net 3 cheaper at 860p after 866p. Oil Exploration, 210p, and Siebens U.K., 330p, both held small improvements, while Tricentral firmed 4 to 170p after 173p. Of the North Sea-oriented stocks, Clyde Petroleum continued to reflect Press comment and rose 2 to 144p, while Seaport Resources dropped 15 to 560p.

Despite recent denials, Furness Withy continued to surge forward on speculative buying fuelled by bid hopes and, after touching 288p, closed 10 higher at 230p for a three-day advance of 31. F.W.'s associated concern Fashion and General hardened 5 to 135p in sympathy.

Comment on the annual reports helped S. Pearson to advance 10 to 193p and Pearson Longman to rise 7 to 183p. Elsewhere in Financials, Alroy and Smithers relinquished 2 to 225p; the interim figures are due next Wednesday in the textile markets. Among the scattered gains, S. Lyles were noteworthy at 40p, up 5. Tern-Consolidated found support again and put on 2 more to 45p, while Blackwood Motors were similarly buoyant at 25p. Tobacco made further progress. Bats Industries, 328p, and the Deferred, 276p, gained 9 and 6 respectively, while Imps closed 11 dearer at 78p.

A firm market of late on Far Eastern demand, Castfield gave up 10 to 290p. Luva, however, gained that much to 180p following buying in a thin market.

## Golds better

After losing ground for the two previous days South African Golds staged a good recovery following the outcome of the latest international Monetary Fund average. The auction produced an average price of \$170.40 per ounce and

Lending Rate indications reversed the trend and prices all but reversed to overnight levels. MEPC still closed 3 up at 118p after 114p, but English Property closed marginally easier at 30p with Land Securities a penny firmer at 196p after 195p. Hammerson A touched 530p before closing a net 3 better at 545p, but Great Portland were unchanged at 286p after 270p. Pease Property added a penny to 79p after the expected return to profit at the half-way stage, but there was some disappointment that the sale price of Park West was not disclosed. In response to good annual profits and the confident statement on current year prospects, Dares Estates firmed 1½ to 15p.

## Oils below best

Initially firm at 812p, following chairman's remarks on current trade, British Petroleum eased on profit-taking and Wall Street influences to close only 2 higher on balance at 804p. Shell traded similarly to finish a net 3 cheaper at 860p after 866p. Oil Exploration, 210p, and Siebens U.K., 330p, both held small improvements, while Tricentral firmed 4 to 170p after 173p. Of the North Sea-oriented stocks, Clyde Petroleum continued to reflect Press comment and rose 2 to 144p, while Seaport Resources dropped 15 to 560p.

Despite recent denials, Furness Withy continued to surge forward on speculative buying fuelled by bid hopes and, after touching 288p, closed 10 higher at 230p for a three-day advance of 31. F.W.'s associated concern Fashion and General hardened 5 to 135p in sympathy.

Comment on the annual reports helped S. Pearson to advance 10 to 193p and Pearson Longman to rise 7 to 183p. Elsewhere in Financials, Alroy and Smithers relinquished 2 to 225p; the interim figures are due next Wednesday in the textile markets. Among the scattered gains, S. Lyles were noteworthy at 40p, up 5. Tern-Consolidated found support again and put on 2 more to 45p, while Blackwood Motors were similarly buoyant at 25p. Tobacco made further progress. Bats Industries, 328p, and the Deferred, 276p, gained 9 and 6 respectively, while Imps closed 11 dearer at 78p.

A firm market of late on Far Eastern demand, Castfield gave up 10 to 290p. Luva, however, gained that much to 180p following buying in a thin market.

## Golds better

After losing ground for the two previous days South African Golds staged a good recovery following the outcome of the latest international Monetary Fund average. The auction produced an average price of \$170.40 per ounce and

FINANCIAL TIMES STOCK INDICES									
	May 4	May 3	May 2	Apr. 28	Apr. 27	Apr. 26	Apr. 25	Apr. 24	1 year ago
Government Secs.	71.40	71.42	71.27	71.26	71.32	71.34	71.34	69.76	
Fixed Interest	73.93	73.93	73.81	74.87	74.73	74.47	74.47	70.03	
Industrial Ordinary	478.6	471.9	469.6	468.7	467.8	467.8	467.8	445.3	
Gold Mines	143.9	142.2	144.2	147.4	148.2	141.4	141.0	115.0	
Ord. Div. Yield	5.66	5.69	5.72	5.77	5.75	5.87	5.19		
Earnings x 100 (all)	17.05	17.15	17.25	17.39	17.10	17.48	16.91		
D.V. Ratio (incl. 10%)	7.84	7.80	7.76	7.69	7.86	7.70	9.25		
Dealings marked	5,180	5,380	6,050	6,406	4,727	5,110	7,431		
Share turnover (m)	100.17	66.36	67.80	82.58	66.70	110.80			
Equity turnover (m)	17,935	14,490	16,941	16,416	14,098	21,282			
10 a.m. 470.3, 11 a.m. 472.3, Noon 473.3, 1 p.m. 473.0, 2 p.m. 473.6, 3 p.m. 477.8									
Latest index 478.6									
*Based on 22 per cent, corporation tax, Nil=77.0									
Basic 100 Govt. Secs. 12-10-28, Fixed Ind. 1283, Ind. Ord. 1.7-36, Gold Mines 12-1-33, SE Activity July-Dec. 1942.									

## HIGHS AND LOWS

## S.E. ACTIVITY

—Daily—  
—Intr.-Day—  
—Total—  
—Daily—  
—Intr.-Day—  
—Total—

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4  
Gold Mines 143.9 143.9 150.4 50.55 190.6 192.4  
Ord. Div. 5.66 5.66 150.4 50.55 190.6 192.4

Govt. Secs. 72.58 71.22 127.4 49.18 151.4 157.4  
Fixed Int. 73.81 73.81 150.4 50.55 190.6 192.4  
Ind. Ord. 478.6 478.6 150.4 50.55 190.6 192.4



## OFFSHORE AND OVERSEAS FUNDS

OVERSEAS FUNDS

Jersey Export Ltd. (1953)	187.0		S. G. Warburg & Co. Ltd.		
As at Mar. 31. Next bus. day Apr. 26.			30, Graham Street EC2	01-600 455	
Jardine Fleming & Co. Ltd.			One Bd Rd. Canary	5158 50	
46th Floor, Cantonment Centre, Hong Kong			Exchg. Int. Mar. 31	4325 40	
Jardine Matheson Ltd.	170,293.68	2.31	Exchg. 24th Apr. 30	4325 40	
Jardine P. & F.	25,933.53	2.30			
Jardine's Ex. Inc.	51,512.92	2.40			
Jardine Finc. Inc.	1,300.00				
NAV Mar. 31. Equivalent US\$28.34			Warburg Invest. Mgt. Int. Orgs. Ltd.		
Next sat. April 25			1, Charis Court, St. Helier, Jy. 17. Jersey 737		
<b>Kaiserberg Natl. Jersey Ltd.</b>			COMP Ltd. April 27	13,924	12.51
PO Box 88, St. Helier, Jersey. (Eang. 01-406 7070)			Stable 2nd Mar. 31	13,916	11.66
Founders:	77,734	1.28	TNT April 27	13,916	9.98
Somerville	3,000	27.08			9.98
Jersey Int'l	16.35	4.17	World Wide Group Management Ltd.		
Jersey Europe	61.89	3.90	10, Rue de la Paix, Luxembourg		
Japan Gls. Fund	21,371	3.86	Wardrobe Gls Ltd. 36,533.31		
Jersey Int'l	15.33	12.66			
Cent. Assets Cap.	2,324.40	14.83			





# FT SHARE INFORMATION SERVICE

HOTELS—Continued

High	Low	Stock	Price	Dr	Cr	Dr	Cr	Dr	Cr
113	75	Grand Met. Shp.	111	+2	4.25	2.9	5.8	9.1	
113	75	Kennell (M.L.C.S.)	109	+1	1.00	1.8	5.8	9.1	
113	75	London (M.L.C.S.)	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	

## BRITISH FUNDS

Five to Five Years

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

HEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

BUILDING INDUSTRY, TIMBER AND ROADS

BEERS, WINES AND SPIRITS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

## AMERICANS—Continued

High	Low	Stock	Price	Dr	Cr	Dr	Cr	Dr	Cr
113	75	Grand Met. Shp.	111	+2	4.25	2.9	5.8	9.1	
113	75	Kennell (M.L.C.S.)	109	+1	1.00	1.8	5.8	9.1	
113	75	London (M.L.C.S.)	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	

Conversion factor 0.8788 (0.8771)

S.E. List Premium 47.7% (based on \$US1.8288 per \$)

S.E. List Premium 47.7% (based on \$2.0814 per \$)

CANADIANS

High	Low	Stock	Price	Dr	Cr	Dr	Cr	Dr	Cr
113	75	Grand Met. Shp.	111	+2	4.25	2.9	5.8	9.1	
113	75	Kennell (M.L.C.S.)	109	+1	1.00	1.8	5.8	9.1	
113	75	London (M.L.C.S.)	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	Dr	Cr	Dr	Cr	Dr	Cr
113	75	Grand Met. Shp.	111	+2	4.25	2.9	5.8	9.1	
113	75	Kennell (M.L.C.S.)	109	+1	1.00	1.8	5.8	9.1	
113	75	London (M.L.C.S.)	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	

Hire Purchase, etc.

High	Low	Stock	Price	Dr	Cr	Dr	Cr	Dr	Cr
113	75	Grand Met. Shp.	111	+2	4.25	2.9	5.8	9.1	
113	75	Kennell (M.L.C.S.)	109	+1	1.00	1.8	5.8	9.1	
113	75	London (M.L.C.S.)	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	

BEERS, WINES AND SPIRITS

High	Low	Stock	Price	Dr	Cr	Dr	Cr	Dr	Cr
113	75	Grand Met. Shp.	111	+2	4.25	2.9	5.8	9.1	
113	75	Kennell (M.L.C.S.)	109	+1	1.00	1.8	5.8	9.1	
113	75	London (M.L.C.S.)	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	

CINEMAS, THEATRES AND TV

High	Low	Stock	Price	Dr	Cr	Dr	Cr	Dr	Cr
113	75	Grand Met. Shp.	111	+2	4.25	2.9	5.8	9.1	
113	75	Kennell (M.L.C.S.)	109	+1	1.00	1.8	5.8	9.1	
113	75	London (M.L.C.S.)	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	

DRAPERY AND STORES

High	Low	Stock	Price	Dr	Cr	Dr	Cr	Dr	Cr
113	75	Grand Met. Shp.	111	+2	4.25	2.9	5.8	9.1	
113	75	Kennell (M.L.C.S.)	109	+1	1.00	1.8	5.8	9.1	
113	75	London (M.L.C.S.)	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	

ENGINEERING MACHINE TOOLS

High	Low	Stock	Price	Dr	Cr	Dr	Cr	Dr	Cr
113	75	Grand Met. Shp.	111	+2	4.25	2.9	5.8	9.1	
113	75	Kennell (M.L.C.S.)	109	+1	1.00	1.8	5.8	9.1	
113	75	London (M.L.C.S.)	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	

FOOD, GROCERIES, ETC.

High	Low	Stock	Price	Dr	Cr	Dr	Cr	Dr	Cr
113	75	Grand Met. Shp.	111	+2	4.25	2.9	5.8	9.1	
113	75	Kennell (M.L.C.S.)	109	+1	1.00	1.8	5.8	9.1	
113	75	London (M.L.C.S.)	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	

HOTELS AND CATERERS

High	Low	Stock	Price	Dr	Cr	Dr	Cr	Dr	Cr
113	75	Grand Met. Shp.	111	+2	4.25	2.9	5.8	9.1	
113	75	Kennell (M.L.C.S.)	109	+1	1.00	1.8	5.8	9.1	
113	75	London (M.L.C.S.)	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	
113	75	St. Charles Shp.	109	+1	1.00	1.8	5.8	9.1	

## BUILDING INDUSTRY—Cont.

High	Low	Stock	Price	Dr	Cr	Dr	Cr	Dr	Cr
20	40	Calender (Gill) 10p	22			1.50			
20	40	Core (John)	22			1.50			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80	Central R. 10p	61	+1		1.47			
60	80								









CHAIRMAN REJECTS INVESTIGATION BY AUDITOR-GENERAL

## NEB may face political row

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE POSSIBILITY of a major political row developing over the Parliamentary accountability of the National Enterprise Board increased yesterday, when Sir Leslie Murphy, the Board's chairman, warned that he could not operate effectively if the Comptroller and Auditor-General investigated his work.

The issue was raised on Tuesday night at a hearing of the Commons Public Accounts Committee, and last night Conservative MPs were forecasting that Sir Leslie would come in for tough questioning again at a further meeting of the committee on Monday.

The committee wants the Auditor-General, who is responsible for carrying out its investigations, to have access to the books of the Board.

With some £1bn. of public funds, the Board now accounts for about 10 companies with 300,000 employees. But Sir

Leslie said yesterday that such an audit would impair the Board's ability to operate commercially within its clearly defined responsibilities.

The issue has developed at a politically sensitive time for the Board, which has been making some progress recently in persuading Conservative leaders that it should not be abolished if the party wins the next General Election.

It coincided with publication of the Board's annual report, which shows improving results for many of its investments with an overall pre-tax profit of £34.3m. in 1977.

The report also contains a detailed statement of the Board's investment and management policies.

There is now growing confidence within the Board about its viability, and Sir Leslie is specially concerned that differences between the policies of political parties should not upset its operations.

In his annual report he says that the lack of consensus between the main political parties started in recent months with the Conservative Government's attempt to reach "a consensus" on the Board's future.

Yesterday, he added that the Board was continuing talks with the Conservative Government, but that it was difficult to operate as chairman.

The general investment policy that has been developed by the Board since Sir Leslie took over as chairman from Lord Ryder

last summer normally involves investments of not less than £100,000, according to the annual report. Generally the Board expects to have an equity stake of not less than 20 per cent.

It has "a firm policy of not interfering in matters of day-to-day management," but it sets up a system of agreed regular reporting from the company.

It also usually requires a five-year strategic plan, revised each year, and the management to appoint one or more directors to the company's Board.

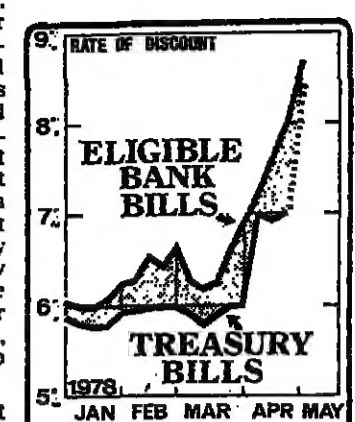
In some cases it also wants to approve certain senior management appointments.

These criteria, set down for the first time in the annual report, have emerged from the Board's dealings with companies as diverse as British Leyland and Fairway Engineering. Editorial Comment, Page 20; Rolls-Royce, Page 6; NEB Holdings, Page 26

THE LEX COLUMN

## Ending the MLR uncertainty

Index rose 2.7 to 474.6



Money Market opinion last night was tending to settle around 9 per cent, as the right level for Minimum Lending Rate. Arguably, this is a little higher than is really justified, but the discount houses never like to do things by halves, preferring to insist rates to a level from which they are at least likely to fall as to rise still further. In the interests of selling gilts, too, the Government will be seeking to establish that a near term peak, and a new short rate is likely to make an early appearance to confirm the new yield levels. But it could be that the authorities will wait for calmer conditions (on Monday, say) rather than rush out a tap this afternoon.

If MLR moves as expected it will be an unequivocally favourable development for the Stock Market. Much better an adjustment now than that the market should have to live with the fear of a sharper rise in the autumn, perhaps after an election. The contrast with the 8 1/2 per cent MLR ruling before the Budget underlines which the Government has been taking. The crucial question now is whether the trade figures will show an improvement.

### Sears Holdings

Shares of Sears Holdings rose 5p last night to a five-year high of 71 1/2p, though in fact pre-tax profits of £55.5m. (up from £42.5m.) do not appear to be greatly in advance of recent expectations. A major factor was the loss elimination in the U.S. after the disposal of the Highlander knitwear business: the remaining U.S. interests produced a second half trading profit, and the overall loss reduction for the year was £8.4m. (the residual loss of £1.2m. should be turned into a profit of £2m. or so this year). And in the U.K. the footwear division scored a one-third second half advance thanks to favourable (that is, bad) autumn and winter weather and signs of better consumer demand for the lower priced items. Experience elsewhere in U.K. retailing was mixed, however. Selfridges advanced from trading profits of £10.5m. to £13m., but even here trade slowed after the tourists left in October, and the provincial Lewis's chain suffered a setback from £3.5m. to £2m.

Better consumer spending

### Mothercare

Mothercare yesterday joined the band of retailers for whom the past year's trading has not lived up to most expectations. Analysts had hoped for profits as high as £15m. pre-tax, but the best Mothercare could produce was a 16 per cent improvement at £13.9m., after the 26 per cent half-way increase. A sharp fall off in investment income from £832,000 to £297,000, adverse exchange differences of £12,000, stock market losses of £100 per cent at a cost of £1.6m.—and U.S. losses of £281,000 are the main factors here.

In the U.K., however, Mothercare is still showing useful volume growth. Of the 26 per cent increase in U.K. sales to £88.7m. the company says existing space accounted for 8.7 per cent—additional volume, with most of this coming from the increasingly popular 5-to-10 range. New space brought in a further 2.3 per cent, while price rises were just over 15 per cent. Europe showed good progress, though currency movements mean profits are unchanged at £1m. But in the U.S. things have not been easy and Mothercare now talks of a 1980 before breaking even, yield of 8.7 per cent, and a fully taxed p/e of over 14.

be around £17m., putting the shares on an undemanding prospective p/e of just under 12.

### Nat. & Commercial

A mere 15 per cent. drop in National and Commercial Banking Group's interim pre-tax profits to £26.3m. is no mean feat given that the group's average base rate slumped from 13.02 per cent. to 6.56 per cent., that there was only a fractional improvement in margins and lending remained sluggish. However, the shares closed unchanged at 75p where they yield 5.3 per cent.

At the operating level profits were over a fifth lower and had it not been for an extra £1m. from the associates, principally, Finance for Industry and Lloyds and Scottish, the out-turn at the pre-tax level would have been less impressive. The adverse impact of lower interest rates was obviously offset to some extent by the 30 per cent. or so increase in commissions and fees in 1977. But this is not going to be repeated this year, and in the absence of a sustained upturn in bank lending it looks as though the group's overall profits will be of the order of £80m. (against last year's £64.1m.) even after base rates are jacked up next week.

### UDS

Profits from UDS rose by £3m. to £19.2m. in 1977-78 and the previous peak of £25.7m. (reached in 1974-75) could well be passed this year. Production of men's suits is now in balance with the group's retail requirements—it retains only two factories, compared with seven a few years ago—and menswear sales have been rising by over a fifth in recent weeks. With an improving trend in women's clothing and a turnaround of about £1m. likely to follow from the run-down of Swears at Wells, profits from the multiple shop division should be significantly ahead of last year's return of very roughly £94m.

Sales are also picking up fast in the department stores, which made profits of about £7m. last time. They could be up by about a quarter so far this year. However, recovery hopes are already in the share price at 82p. Anxious to rebuild its dividend cover of 1.7 times, UDS has only put the net payment up by 6 per cent., leaving a 1980 before breaking even, yield of 8.7 per cent, and a fully taxed p/e of over 14.

## U.S. wholesale price rise is biggest for three years

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, May 4.

U.S. wholesale prices recorded the biggest rise for well over three years last month, once again highlighting the growing national debate over the inflationary threat to the economy.

The Producer Price Index for Finished Goods—successor to the old wholesale price index—rose by 1.3 per cent. in April.

This is more than double the 0.6 per cent. increase of March and the biggest monthly increase since November, 1974.

Although food was once again the major factor, rising by 1.9 per cent. in the month, the rate of increase in the prices of other goods doubled to 1 per cent. in April.

The Labour Department took the unusual step of pointing to one specific cause, noting that the increased price of jewellery alone, stemming from the surge in gold prices so far this year, had accounted for 0.3 per cent. of the overall rise in the index last month.

Over the first four months of the year, wholesale prices, as measured by the new index, have

been rising at an annual rate of about 10 per cent., clearly a disturbing level.

Wall Street was sufficiently impressed this morning for the Dow Jones Industrial Average to fall by over 10 points in the first hour, though a subsequent rally later nearly halved the initial loss.

In a speech to the National Press Club on Tuesday, Mr. Charles Schultz, chairman of the Council of Economic Advisers, said that he thought the underlying inflation rate in the economy was now running in the 6-7 per cent. a year range.

This, because of rising food prices, might get rather worse in the short term before settling down later in the year.

He did not even hint at any change in the Administration's anti-inflationary policies and argued strongly that the tax cut package, which some see as inflationary, should be retained if a sound economic growth was to be achieved.

He maintained that abandoning the tax package would have

only the smallest favourable impact on the rate of inflation.

Today's figures, however, may strengthen the position of those inside the Administration who believe that a more vigorous sectoral approach to inflation may be called for.

One such advocate, Mr. Barry Bosworth, head of the Council on Wage and Price Stability, said earlier this week that corporate records will be subpoenaed and professional fees scrutinised as part of the anti-inflationary drive.

He also urged corporate executives to restrict themselves to 5 per cent. pay increases this year. Mr. Bosworth's approach may gain some support.

Mr. G. William Miller, now chairman of the Federal Reserve, has already pushed up interest rates and called for a reduction in the Federal Budget deficit.

He has also urged that the tax package implementation be delayed by three months from its planned October inception.

Money supply Page 4

## Exporters to Japan have more chances now, Fukuda claims

BY STEWART FLEMING

NEW YORK, May 4.

MR. TAKEO FUKUDA, the Japanese Prime Minister, claimed today that opportunities for exporting to Japan were now greatly expanded and that "the Japanese market is about as open and accessible as the U.S."

In what was billed as an important foreign policy speech in New York, Mr. Fukuda called on the Americans to respond to the recent lifting of some Japanese import restrictions by redoubling their efforts to promote American exports to Japan.

He stressed that he counted on continuing U.S. leadership in areas such as currency stabilisation and the efficient utilisation of energy resources.

Mr. Fukuda's remarks contrasted with a lengthy statement to the New York Times on Sunday by Mr. Anthony M. Solomon, the U.S. Under-Secretary for Monetary Affairs at the Treasury.

Mr. Solomon said: "In spite of the recent pledge by Japan to ease import restraints on certain products of special interest to the U.S., several restrictions continue to limit potential American exports to that country."

He listed these as higher Japanese tariffs on manufactured goods, high protective tariffs on such items as computer equipment and steel Government procurement rules.

The Japanese commitment to a target of 7 per cent. real growth this year, which he said was "far higher than any other developed economy."

The Japanese Prime Minister announced that his country would aim to double its aid to developing countries in three years, instead of the five originally planned. It would also improve further the terms and conditions of this aid.

Mr. Fukuda placed considerable emphasis on the steps Japan had already taken to contribute to world economic recovery, and the U.S. should establish a national economic recovery fund to speed up domestic economic recovery and thus indirectly to buoy up the world economy.

Despite obvious difficulties we have adopted a highly stimulatory national budget, and we have established a third on a bond-financed deficit.

He stressed the importance of Japanese-U.S. co-operation, which he said was virtually a precondition for the success of the multilateral trade negotiations and the July economic summit.

Underlining this view he called for new initiatives in the area of science and technology and outlined specific proposals he had put to President Carter.

Re said he had suggested that Japan and the U.S. should establish a joint fund for the advancement of science and technology to serve as a framework for international co-operation in these areas.

He suggested "nuclear fusion and solar energy as particularly useful areas for joint research and development, since both are considered to be ultimate energy sources for the future."

Whether London commuters will face higher-than-average increases again next year remains unresolved, though indications yesterday were that British Rail still insists that the Government pay extra grant to cover any artificial ceiling on these fares.

Details of report, Page 7

Editorial Comment Page 20

## Union plans anti-EEC move

BY PAULINE CLARK, LABOUR STAFF

LEFT-WINGERS in the Association of Scientific, Technical and Managerial Staffs plan to back Labour candidates for the European Parliament who are in sympathy with the union's anti-Common Market policy.

The plan, set out in a paper by ASTMS, is to be put to the union's annual conference later this month.

The union said yesterday that it hoped to form a Parliamentary Committee in Brussels similar to the union's committee of 30 MPs at Westminster.

The union establishes close

contact with these MPs, from whom it seeks representation and support on matters closely affecting its members.

Mr. Roger Lyons, ASTMS national officer, said last night that the MPs who would be put up for election by the union under proposals would not necessarily be anti-Common Market. But the union would back those who were opposed to any further strengthening of the powers of the European Parliament.

The union has made clear its anti-EEC policy and its plan to back selective candidates is its

way of making the best of the situation.

Mr. Lyons said that the union was worried about the number of directives going through Brussels, which closely affected union members' livelihoods.

The union would be in Brussels on May 21 to fight plans for unifying oil refinery policies.

It was also concerned about the imposition by Brussels of qualifications required for its pharmaceutical laboratories and factories.

## Speke offered better pay-offs

BY ALAN PIKE, LABOUR CORRESPONDENT

BRITISH LEYLAND yesterday offered revised redundancy terms to the 3,000 men who will lose their jobs at the Speke assembly plant this month, but made them conditional on the peaceful closure of the factory.

The company said that if there is opposition to the closure on May 26, or to plans to transfer 700 production staff to Leyland's statutory requirements under the Redundancy Payments Act and money in lieu of notice will be paid.

Under yesterday's new scheme plans for long-term financial support and relocation allowances will be replaced by an additional ex-gratia payment of 12 weeks pay for all employees. This, says Leyland, represents an average increase of about 200%.

The immediate reaction on Merseyside last night was that

the new redundancy terms were little better than the company's original offer. It seems likely that they will be rejected at tonight's mass meeting at Speke.

About 500 workers at Leyland's Longbridge, Birmingham, plant were laid off last night because of disputes at the Castle Bromwich body plant, where 4,000 are idle.

Terry Dodsworth adds: The group clarified its attitude towards political contributions and commission payments in a statement yesterday which says that it will not make payments to Government officials and that commissions must be "commensurate with the services performed."

This firm policy guideline, given in the 1977 report and accounts, follows the "slush fund" row over alleged commis-

sion payments last year. The commitments, which include obedience to the laws and the avoidance of political contributions, were "reviewed and re-affirmed" last year, says the group.

The accounts, which the auditors have signed only on the basis of the adequate Government finance will be made available, show that the company paid £110,000 in compensation to former directors last year.

It is proposed to confine the Leyland name to the trucks range and to change the group's name to BL Ltd. A new plain logo without the Leyland initial has been designed for the group.

Leyland's new founding chief, Page 6

## British Rail 'needs to replace assets'

BY IAN HARGREAVES AND PAUL TAYLOR

BRITISH RAIL is running into a serious problem of asset replacement and will need to increase investment by 30 per cent. a year in the decade from 1981, Mr. Peter Parker, the railways chairman, said yesterday.

This was the long-term challenge facing Government and the industry, he said, presenting an annual report which showed that most of the assets of British Rail's activities.

The passenger side of the railways saw a 3 per cent. increase in traffic last year, while rail freight, despite slightly reduced volume, cut its operating loss from £27.3m. in 1976 to £25m.

Overall British Rail returned a net operating surplus after grants, of £27m. against £53m. a year before. Turnover as a

whole was up by 16 per cent. at £1.7bn.

Mr. Parker said that the railway investment was frozen at about £280m. a year, the steeper would be the climb to catch up on arrears of maintenance. Over 75 per cent. of diesel and electric multiple unit trains, the work-horses of non-express services, are 16 years old.

On fares, Mr. Parker said there would be an autumn review and this is thought likely to lead to a January increase. Whether London commuters will face higher-than-average increases again next year remains unresolved, though indications yesterday were that British Rail still insists that the Government pay extra grant to cover any artificial ceiling on these fares.

Details of report, Page 7

Editorial Comment Page 20

## Hattersley criticised over 1975 'cod war'

BY CHRISTOPHER PARKES

MR. ROY HATTERSLEY, the Prices Secretary, was given a public ticking-off by an all-party Commons committee yesterday for his handling of the 1975 "cod war" with Iceland, when he was a junior Minister at the Foreign Office. In a report on the decline of the fishing industry, the Commons Fisheries Committee also accuses the Foreign Office in general of having been "unaware" of the importance of the fishing industry to Britain.

The Commons Market's fishing policy comes under fire, too, while the Government's stubbornness in the present attempts to revise it are singled out for

praise. The report says that Mr. Hattersley did not take enough account of evidence which showed Icelandic fish stocks falling to dangerous levels.

Had he paid closer attention "he would surely have accepted the need for a heavy cutback in the British fishing effort in Icelandic waters and could have negotiated accordingly."

This would have avoided at least in part, the "traumatically sudden loss of access to fishing grounds" suffered by the trawler fleets of Fleetwood, Grimsby and Hull.

Fish deal with Norway, Page 41

## Rhodesia peace bid to continue

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

THE BRITISH and American Governments are to continue with their efforts to convene a round-table conference on Rhodesia by sending what would appear to be a semi-permanent mission of officials to Africa to negotiate with the warring parties in the Rhodesian dispute.

Dr. David Owen, the Foreign Secretary, told the Commons yesterday that if the U.K. and the U.S. gave up their efforts to negotiate a settlement in Rhodesia, there might even be a civil war between black nationalists groups.

Despite the continuing opposition of most of the Rhodesian parties to the idea of a round-table conference, Dr. Owen said that Mr. John Graham,

deputy Under-Secretary at the Foreign Office, and Mr. Stephen Low, U.S. Ambassador to Zambia, would stay on their new African mission "for as long as is necessary" to carry out the preparatory work for round-table talks.

These talks, which should be held "at the earliest possible moment," would be attended by all the parties concerned, by Dr. Owen and by Mr. Cyrus Vance, the U.S. Secretary of State.

Warning of the dangers of a rapid worsening in the "bloody" war in Rhodesia, Dr. Owen endeavoured to put a brave face on the prospects for an ultimate agreement.

There was now more common ground, he believed, between the signatories to the

internal settlement and the externally-based Patriotic Front alliance.

These included the recognition of the need for the integration of the guerrilla forces in a new Zimbabwe army, some areas of agreement on a governing council during the transition to independence and the greater possibility of agreement to a UN presence in Rhodesia during that transition.

However, from the tenor of his remarks yesterday, it was clear that Dr. Owen now recognises that earlier Anglo-American hopes of convening a conference within weeks cannot now be realised.

Inside Rhodesia's guerrilla-land, Page 20; Parliament, Page 9

## Weather

### U.K. TODAY

SOME rain in most areas. London, E. Anglia, S.E. Cent. S. England, Midlands, Channel Isles. Outbreaks of thundery rain. Max. 16C (61F).

E., N.E., Cent. N. England. Showers. Max. 13C (55F).

W. Midlands, S.W. England, S. Wales. Bright intervals, showers. Max. 14C (57F).

N. Wales, N.W. England, Isle of Man, S.W. Scotland. Mostly dry, bright intervals. Max. 12C (54F).

Borders, Edinburgh, Dundee, Aberdeen, Glasgow, Cent. Highlands, Moray Firth, N.E. Scotland, Orkney, Shetland. Outbreaks of rain, brighter later. Max. 8C-10C (46F-50F).

Outlook: Becoming mainly dry in W. Further rain in E. Generally rather cold.

### BUSINESS CENTRES

	Today	Monday	Today	Monday
Amsterdam	17	17	Madrid	18
Algiers	17	17	Manchester	14
Bahia	22	22	Metz	18
Barcelona	18	18	Montreal	19
Belgrade	11	11	Munich	18
Bombay	22	22	Newcastle	18
Bremer	18	18	New York	13
Buenos Aires	19	19	Osaka	13
Calcutta	17	17	Paris	17
Canton	21	21	Perth	21
Cardiff	17	17	Prague	17
Cebu	17	17	Reykjavik	14
Colon	17	17	Rome	21
Copenhagen	17	17	Singapore	31
Dublin	17	17	Stockholm	14
Edinburgh	17	17	Sydney	17
Freetown	17	17	Taipei	17
Glasgow	17	17	Tel Aviv	17
Hankow	17	17	Tokyo	17
Hong Kong	17	17	Toronto	17
London	17	17	Vienna	17
Luxembourg	17	17	Warsaw	17
Manila	17	17	Zurich	18

### HOLIDAY RESORTS

Algeria	19	19	Jersey	17
Algiers	21	21	Las Palmas	20
Bahia	22	22	Locarno	18
Barcelona	18	18	Malorca	23
Belgrade	11	11	Malta	18
Bombay	22	22	Malta	18
Bremer	18	18	Nairobi	18
Buenos Aires	19	19	Nairobi	18
Calcutta	17	17	Nairobi	18
Canton	21	21	Nairobi	18
Cardiff	17	17	Nairobi	18
Cebu	17	17	Nairobi	18